DOCUMENT RESUME

ED 051 390 VT 013 052

TITLE	Vocational Education and Training Under a Comprehensive Manpower Policy. Proceedings of a Conference, May 13 and 14, 1970.
INSTITUTION	Wisconsin Univ., Madison. Center for Studies in Vocational and Technical Education.
PUB DATE	71
NOTE	104p.
AVAILABLE FROM	Center for Studies in Vocational and Technical Education, 4315 Social Science Building, University of Wisconsin, Madison, Wisconsin 52706 ($3.00, plus $.12 postage)
EDRS PRICE	EDRS Price MF-$0.65 HC Not Available from EDRS.
DESCRIPTORS	*Conference Reports, *Educational Legislation, *Federal Legislation, *Manpower Development, Manpower Needs, *Vocational Education

ABSTRACT

Twenty persons representing vocational education, the Labor Department, Congress, universities, business, and industry attended a conference designed to discuss the applicabilities of legislative proposals for a comprehensive manpower training program. Presentations included: (1) "Problems of Decentralization and Block Grants" by William B. Hewitt, (2) "An Evaluation of the New Manpower Legislation" by William R. Bechtel, (3) "Problems and Prospects of a Coordinated Working Relationship" by Clarence Greiber, (4) "Absolute Poverty, Relative Poverty, and the Task of Manpower Training Programs" by Michael C. Barth, and (5) "Implications for Political Responsibility and Public Policy" by William A. Steiger. Recommendations related to such matters as: (1) integration of the multiple manpower programs, (2) decentralization of manpower programs, (3) cooperation between vocational education and the Labor Department, and (4) role of state and federal governments in manpower training. (AS)

ED051390

Vocational Education and Training Under a Comprehensive Manpower Policy

Proceedings of a Conference

The University of Wisconsin
Center for Studies in Vocational
and Technical Education
1970

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Vocational Education and Training Under a Comprehensive Manpower Policy

Proceedings of a Conference
May 13 and 14, 1970

Prepared by the
Center for Studies in Vocational
and Technical Education
The University of Wisconsin

The Center for Studies in Vocational and Technical Education is affiliated with the Industrial Relations Research Institute.

Library of Congress Catalog Card No. 71-632825

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CONTENTS

		Page
Preface		v
Participants		vii
I		
Gerald G. Somers, Chairman		
Problems of Decentralization and Block Grants:	William B. Hewitt	3
Panel Discussion	Lowell A. Burkett	9
	Ernest Green	14
	Sar A. Levitan	17
II		
Nelson Cummings, Chairman		
An Evaluation of the New Manpower Legislation	William R. Bechtel	25
III		
James E. Jones, Jr., Chairman		
Problems and Prospects of a Coordinated Working Relationship:	Clarence Greiber	39
Panel Discussion	F. J. Walsh	44
	Sydney Forbes	47
	Rupert N. Evans	54
IV		
Harold W. Watts, Chairman		
Absolute Poverty, Relative Poverty, and the Task of Manpower Training Programs	Michael C. Barth	61

Page

V

James L. Stern, Chairman

Implications for Political Responsibility and Public Policy — William A. Steiger — 69

Discussion — Warren Roudebush — 84
Garth L. Mangum — 88
David Rusk — 93

INTRODUCTION

This Conference is one of a series sponsored by the Center for Studies in Vocational and Technical Education since its establishment under a grant from The Ford Foundation in 1964.[1] The Conference was supported by The Ford Foundation under a special grant supplementing the general support for Center operations as a whole.

Like its predecessors, this Conference stems from the special purposes and characteristics of the Center's approach to the study of vocational and technical education. In contrast with some other centers in the field, the University of Wisconsin has attempted to develop an interdisciplinary program of research and study, in which faculty members from a variety of University departments report and relate their research to practitioners in the vocational-technical field. Research activities are designed and their results are disseminated with an eye to the formulation of policy at federal, state, and local levels. The Center has had a major focus on the relationship of the labor market and manpower policies to the needs and programs of vocational educators.

Given the Center's special approach and expertise, the recent legislative proposals for a comprehensive manpower policy afforded a unique opportunity for the utilization of our resources and facilities, for these proposals, although designed to expand and integrate manpower programs, clearly have important implications for vocational education in the United States. A number of heated debates have already ensued between officials of the U. S. Department of Labor and the Department of Health, Education, and Welfare concerning the implications of the legislative proposals; the American Vocational Association has also made known its deep concern.

As the papers and discussions indicate, the bills presented in Congress to reorganize manpower programs have basic similarities. They emphasize integration of the multiple, and often conflicting, manpower programs now in existence; and they make some provision for decentralization to state and community levels while preserving basic elements of federal authority. However, there are also some important differences in the proposals, especially concerning the role to be accorded to public employment for the disadvantaged and the unemployed. There are also important differences concerning the place of community action programs, and representatives of these agencies have expressed

[1] A list of previous Conference *Proceedings*, as well as other publications and research monographs, can be obtained by writing to the Center.

grave doubts concerning the proposals, as is indicated in the Conference *Proceedings*.

Vocational educators have expressed fears that the proposed legislation would firmly establish two separate tracks for the vocational training of the disadvantaged. The Vocational Education Act of 1968 placed heavy emphasis on programs for the disadvantaged, and even though appropriations for this purpose have not been forthcoming, there is still the hope and intention that these provisions will be implemented. The recent legislative proposals give the Employment Service a much more central coordinating role in manpower training than now exists. The question naturally arises as to the dangers of conflict between these two approaches to the vocational training of the disadvantaged. Can conflict be avoided and cooperation between vocational education and the Labor Department be furthered at the federal, state, and local levels?

What are the implications of a greater state role in manpower training? Can boards of vocational education work with state manpower agencies to be established under the legislative proposals? Will they dominate or be dominated by the manpower agencies?

Similarly, what are the implications of block grants for the continued effectiveness of vocational education at state and community levels? Will the flexibility envisaged by this approach enhance or detract from vocational education for the disadvantaged?

These are among the pressing questions raised in the Conference sessions. Although answers were not always as readily forthcoming as the questions themselves, it is felt that the Conference increased understanding of the basic issues. It is hoped that these *Proceedings* will further intelligent thought on the relationship between vocational education and a comprehensive manpower policy.

We are indebted to The Ford Foundation for financial support of the Conference, to Pauline Fosdick, the Center's Administrative Associate, and to Barbara Dennis, Editorial Associate, for their assistance in arranging the Conference and in preparing these *Proceedings*.

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August 1970
Madison, Wisconsin

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SECTION 1

Gerald G. Somers, Chairman

PROBLEMS OF DECENTRALIZATION AND BLOCK GRANTS: PANEL DISCUSSION

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The subject, "Problems of Decentralization and Block Grants," assumes a great deal of common understanding among the panel participants and the audience as to the administrative system within which decentralization might take place and the so-called block grants—or as we would prefer to phrase it, *flexible grants*—would occur. Clearly, alternative administrative structures are conceivable. In discussing the problems which follow I have assumed that the audience has more than passing acquaintance with the structure proposed in the Administration's bill, H.R. 13472, the Manpower Training Act. Accordingly, I will not in these remarks undertake to explain the Administration bill and the structure it seeks to put into place.

To put the discussion in perspective, however, it will be useful to note that the Administration's manpower bill is the clearest articulation, albeit in a particular subject matter area, of the Administration's concept of the New Federalism. In general, the main foci of the bill are decentralization of administration, decategorization of program funding, and consolidation of statutory authority for manpower programs. The Administration's conception of New Federalism envisions roles for federal, state, and local governments which are appropriate to those areas of jurisdiction. Perhaps the most distinctive feature of the new Federalism is its explicit embrace of local government as a constituent element in the overall fabric of federal-state-local governmental relations.

Instead of discussing the "nuts and bolts" of the administrative apparatus to be put into place after the proposed Manpower Training Act, these remarks will be addressed to at least some of the substantive issues involved in spelling out a system for decentralizing the administration of manpower programs. These issues will focus in the main on the problems of decentralization and not on the more technical accounting and accountability problems of administering a block grant program. We will interpret block grants for the moment as being synonymous with decategorization of program resources and leave that issue for future discussion.

I have identified eight problem areas which require some sort of resolution if one is to put into place a system for decentralizing administration of manpower programs. In view of the time constraints, I will attempt only to sketch quickly the nature of the problems and indicate the conclusions built into the proposed Manpower Training Act. Perhaps we can go into some of them in greater detail in the question and answer period.

1. *To whom does one decentralize?* Perhaps the first question that confronts a policy-maker, given the peculiar state of development of manpower programs and their diffuse sponsor arrangements, is what organizations with what geographic jurisdictions should be built into the system as stewards of public expenditures for the provision of manpower services. There are several alternatives. One could look to state agencies, many of which have local offices as a part of their line administrative apparatus. Local government is also a plausible candidate. Private nonprofit organizations of a wide variety are possibilities. Combinations of local government units such as area-wide councils of governments are conceivable local administrators. Special governmental districts comparable to port authorities might be mandated and developed for this purpose. And, finally, one might turn to private for-profit enterprises as organizers and deliverers of manpower development services.

One of the concerns in selecting an appropriate administrative head is the widening perception of the need to build "popular participation" into the decision-making process. For a variety of reasons growing out of the experience of running manpower programs over the last eight years, the Administration has opted for local government as the logical element at the community level to run manpower programs. While the electoral process may have its shortcomings, it would seem to be as satisfactory a way for assuring widespread popular participation in the affairs of the community as has yet been invented. Alternative arrangements for setting up what amounts to "shadow governments," hopefully representing some predetermined constituency, e.g., the poor, have not demonstrated any superiority as devices for assuring the democratic involvement of the people.

2. A second problem is the *lack of effective institutions*, governmental or otherwise, in the manpower business. The strengthening or building, as the case may be, of institutions to administer modern manpower programs is a necessity of the first magnitude if we are ever to develop the degree of efficiency and the program effectiveness in dealing with the employability development programs of our work force which we all know to be both desirable and attainable. Thus, the proposed Manpower Training Act provides incentives for substantial reorganization of state government to put together the various pieces of employment, manpower training, and rehabilitation administrative machinery as now exist and to build outward from there. The new comprehensive manpower agencies envisioned would represent a consolidation of activi-

ties and reverse almost a hundred years of growing fragmentation of ad hoc agency after agency in state government. In addition, the Act would require, for full state participation, the establishment of new and meaningful state manpower planning councils. These councils would be charged with reviewing and consolidating the annual plans of service not only of the manpower activities under the comprehensive manpower agency but also those of all other federal grant-in-aid programs which support manpower program components.

At the community level, there simply are no effective manpower-administering institutions, with very few and scattered exceptions. The Administration's bill proposes establishment of area prime sponsors which would be governmental bodies for the most part (those prospectively few nongovernmental body prime sponsors would be designated by responsible local government officials, such designation subject to annual renewal or revocation). These prime sponsors would be essentially new institutions. Existing public school systems, local or state agencies, or other partially capable apparatus do not appear to hold promise of developing into institutions of sufficiently broad jurisdiction, and sufficiently responsive to the local electorate, to serve as the administerers of manpower programs.

Finally, local advisory bodies would be mandated, hopefully to replace a wide variety of special purpose advisory or promotional groups which now abound.

3. *To what local area of jurisdiction should one decentralize?* It would be clearly much simpler politically to designate local governmental jurisdictions as the areas within which local prime sponsors would organize their separate and doubtless disparate manpower program activities. Quite probably it would be easier to develop the new administrative institutions required using existing political jurisdictions as the geographic base. But such easy attainment of the much needed institutional development would be for naught since manpower programs, as indeed the workings of the local labor market itself, cannot be respectors of city boundary lines. People live and work in multiple local political jurisdictions. The local economy in fact transcends political boundaries. The job market is truly an area-wide phenomenon. Accordingly, manpower programs must be planned and administered on an integrated area-wide basis. The most feasible way to approach establishment of machinery to accomplish this end is to establish area-wide prime sponsors as the new institutions through which to administer manpower programs. Accordingly, the Administration's proposed Manpower Training Act projects the Standard Metropolitan Statistical Area (SMSA) concept as the desideratum for the jurisdiction of the new area prime sponsors.

4. *How select the local prime sponsor,* that is, that entity to whom responsibility for manpower program resources is to be decentralized? This question was partially answered above under the discussion of decentraliza-

tion. However, within the local labor market area, there are multiple units of local government. In many of the labor market areas of this nation, the central city is so predominant in terms of population and occasionally geography that there is little doubt that the central city government is the logical choice for local prime sponsor for the entire area. But in many other areas, local government authority is much more dispersed. Irrespective of whether local governmental authority is heavily concentrated in one unit or widely dispersed, all units of local government, representing as they do the citizens within their jurisdictions, will have to be afforded an opportunity to participate in the structuring of the area manpower delivery institution in some manner. The Administration's new legislation would look, in the first instance, to that unit of local general government in which reside the largest numbers of potential clients for the manpower program (e.g., labor force participants, unemployed and disadvantaged individuals) as the first choice for prime sponsor. Recognizing the desirability for involving more units of government directly in the process, however, it provides an alternative method by which the elected executive heads of local governments representing a total of 75 percent of the population of the area could name whatever organization they collectively desire to perform their prime-sponsor administrative responsibilities. Further, irrespective of the manner or the outcome of the process used to select the prime sponsor, under the provisions of the pending Manpower Training Act, all heads of local government would, by right, participate in the area planning advisory body which, being provided with an independent staff, would have a genuine and persuasive voice in the planning and oversight of manpower program activities.

5. *How allocate resources in a decentralized system?* For years most of the federal grant-in-aid programs to the states have included apportionment formulas for dividing up the funds appropriate among the several states. These apportionment formulas are typically based on population, but other factors from time to time have influenced the division of resources. A key consideration in manpower programs is assuring that the money goes where the problem people are. In many respects this means to the central cities and to the rural poverty areas. Manpower program resource allocations, hampered as they have been with managing too many separate categorical purses, have been only roughly responsive to the varying needs of the nation's cities and counties. Moreover, it is perceived that there is something less than full confidence in many existing government agencies to appropriately allocate resources, if afforded total administrative discretion. Accordingly, state apportionment formulas persist and for the first time the Administration's manpower bill proposes a sub-state apportionment formula—properly referred to as the "city pass through"—of Manpower Training Act funds. Thus, the question, how allocate resources in a decentralized system, is answered: Put the money where the problem is on a formula basis.

6. *How relate state agencies in the manpower business to the new local manpower institutions—prime sponsors?* A number of state agencies are already in the manpower business in many communities of their states. Thus, the local offices of the State Employment Services have or have a capacity for a sizable piece of the manpower action, in place or within reach in most communities throughout the state. Similarly, the educational systems of the several states reach into, or more correctly are based in, the several communities. State vocational rehabilitation agencies conduct operations through local outlets. In some instances other independent state agencies run some parts of manpower programs or programs that are "manpower development" in nature. It would obviously be folly to mandate area prime sponsors of comprehensive manpower programs to go into the market and establish redundant and competing and thus wasteful facilities for the provision of manpower training or other supportive services. It is also clear that in the decade of the 1970s ways must be found to assure that the local offices of state-capitol-oriented bureaucracies are made responsive to the needs of the local communities as perceived by their residents. The proposed Manpower Training Act, by vesting authority for provision of manpower services in the area prime sponsor, accomplishes the second part of this objective. Namely, through the leverage of the purse strings, it is expected that the local offices of state agencies will become responsive to locally elected leadership. In order to avoid the indulgence of the area prime sponsors in the development of redundant service capacity, there is provided in the bill a strict "purchase-of-service" clause which says in effect that the local prime sponsor shall buy services from established agencies and organizations to the extent that they cannot be provided by those agencies with or without reimbursement, and to the extent that those bodies can perform in delivering the requisite services to the clients in need.

Thus, state agencies would be providing a significant part of their services—that part financed under the Manpower Training Act—under contract to the local prime sponsor. The local prime sponsor, with the clout of the finance officer, would decide on allocation of resources, monitor performance against written standards, and accordingly create a responsiveness on the part of the state agencies to the local decision-making process.

7. *What provision should be made for appeal to higher authority in a decentralized system?* The system contemplated by the pending Manpower Training Act would have a comprehensive area manpower plan, developed by area prime sponsors with the advice and consent of area advisory bodies, submitted to the state agencies and manpower planning councils. These bodies in turn would consolidate area plans with plans for the balance of the state and in the process could modify them for submittal to the federal regional office for ultimate review and approval. Provision for appeal by the local prime sponsor on decisions by the state, therefore, are written into the bill. Provisions are also included in the bill for direct appeal by either area advisory bodies or

the state manpower planning council to the Secretary of Labor, in instances where area prime sponsors or other program administrators are not sufficiently responsive to their advice. Appeals provisions are undisputably necessary in any decentralized system. Obviously the nature of the appeals process will be wholly dependent upon the character of the system. The specific provisions in the Administration's bill fit well the kind of system contemplated by the bill.

8. *Should there be ultimate authority to intercede?* In a federal-state-local system in a broad and diverse nation with 54 state jurisdictions and, as an illustration, 230 major metropolitan labor market areas, there are ample opportunities for miscalculation, mistakes, and misdirected administration. Some spokesmen argue for a complete decentralization of authority to match the decentralization of responsibilities. Needless to say other views argue against the concept of decentralization in its entirety, specifying that all program decision authority should be held federally as the only way to assure quality programming and continuing responsive performance by all units of government and other organizations that play indispensable roles in the delivery of manpower and related services. The manpower bill the Administration has submitted to the Congress strikes what many believe is a prudent middle-ground. While much authority is decentralized to state and local governments, ultimate authority is retainable by the federal government in the person of the Secretary of Labor to approve general plans in the first instance and to intercede in any state or community in which acceptable plans and standards of performance in operation are not being maintained. Such ultimate authority to intercede would seem to be an indispensable part of a decentralized system in a field as sensitive as manpower to assure that the occasional willful official does not distort the program in operation to the disservice of the intended clients.

In conclusion we might characterize the New Federalism, at least as applied in the manpower program area, as a modern grant-in-aid program—not a grant-in-aid program of the 1930s model in which the role of the federal government was essentially that of financial pass-through to the states and there was no role at all for local government, but one of the 1970s in which each governmental jurisdiction, federal, state, and local, has clear responsibilities and authorities appropriate to the larger purpose of financing and delivering manpower services to the citizens who need them.

In the briefest of characterization, the federal role is that of overall program stewardship, the state role one of planning and coordination, and the area or local government role one of organizing and administering the day-to-day operation of manpower programs.

LOWELL A. BURKETT
AMERICAN VOCATIONAL ASSOCIATION

At first I felt somewhat restrained by the limitations placed upon me by virtue of the title assigned to this panel, "Problems of Decentralization and Block Grants." However, I noted that this is a conference on vocational education and training under a comprehensive manpower policy. The title of this conference created the opportunity for me to develop some broader concepts which I believe are relevant to the subject.

I have read the literature and heard people speak on the subject of a national manpower policy and have tried to put the pieces together, taking into account the economist's, sociologist's, and the educator's point of view. I have been personally involved in many facets of a manpower development program—both as a trainee and as a trainer or student and teacher. I am where I am today because I have strong convictions about what happens to people and not how we can affect an unemployment statistic or how we can apply an economic theory to a very complex human problem.

My reason for accepting the invitation to speak at this conference was to try to put manpower into a perspective as vocational educators view it, to express our enthusiasm for a *sound* manpower policy, and to suggest some possible alternatives or additional recommendations for further improvement of the manpower development programs currently in operation.

The period of the 1960s has seen the beginnings of a national commitment to full employment and the education and training necessary to reach that goal. Everyone here knows the dimensions of the problem: Technological change renders many jobs obsolete. We approached the retraining needs of workers with the Area Redevelopment Act in 1961 and the Manpower Development and Training Act (MDTA) in 1962. But we now know that the unemployment problem of really crisis proportion is among our teenage population, and particularly among black youths, 21 and younger. The National Advisory Council on Vocational Education has determined that more youth flows into the pool of unemployed than the manpower programs are able to remove. We began recognizing this with the Neighborhood Youth Corps, Title I of the Elementary and Secondary Education Act, MDTA Amendments, which opened the program to youth, and the Vocational Education Act of 1963.

To set the record straight, I want you to know that education is not "lily white" because much of the failure lies in our public school establishment which gets about 20 percent of its product through four years of college, trains about 25 percent for jobs, and totally fails about half by sending its rejects, dropouts, and graduates into the labor market without a marketable skill. Clearly, neither the vocational nor the manpower programs are meeting the needs of the majority of the students slipping through the grasp of our public schools. In this connection, you'll pardon me if I note that vocational educators rarely control public school systems nor is vocational education an institutional program. Rather, vocational educators are the general educators' tenants. This has to change, either by virtue of laws or executive reorganization at various levels of government.

The 1960s have also seen the emergence of a senseless rivalry between exponents of vocational and manpower programs. Some vocational educators have been jealous of manpower's ability to command greater funds to achieve the same goals for a fraction of the people served. They see the educational component of a manpower program poorly done, and often neglected. They see the high costs of most contracts for education programs outside the schools. Some manpower people have been equally tunnel-visioned in their smug ignorance of their dependence upon sound vocational education theories, practices, and values in the conduct of quality manpower training.

The fact is that there is both enough blame and enough credit to go around, but no one has much cause to be satisfied. I think it would be well, for the purposes of our discussions, to observe that the goals of the vocational and manpower programs are identical. Vocational education and manpower training are the two sides of the same coin. They are interchangeable terms. Rather than being in conflict, the American Vocational Association sees the education and training component of the manpower program as a vocational education program, just as it sees the preparation of each individual for life in the world of work as the primary purpose of all education. Too many educators see their role as being to prepare the individual for more education.

Much of the conflict has developed because of inter-agency rivalries between the Departments of Health, Education, and Welfare (HEW) and Labor, and their respective constituencies. Here I see evidence of a change of attitude and a better spirit of cooperation in this Administration. Still, different congressional subcommittees and Budget Bureau personnel review the two programs. Educators are leery of Labor Department control; manpower people are put off by the rigor mortis of some educational systems; and academic educators, who control the school systems, do not want to be sullied by or claim responsibility for the vocational needs of their non-college-bound students.

Not long ago, I asked one of my manpower friends if the following language would adequately serve to define the mission of manpower training:

> [to assure] that all persons of all ages in all communities of the state—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, those with special educational handicaps, and those in post-secondary schools—will have ready access to vocational training or retraining which is of high quality, which is realistic in light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interest, and ability to benefit from such training.

He thought this was an admirable definition of manpower training. He was shocked to learn that I was quoting from the Statement of Purpose (Sec. 101) of the 1968 Vocational Amendments.

A year ago last spring, a seminar in Atlantic City was attended by 200 manpower specialists. The seminar was funded by the U. S. Office of Education to involve manpower people in the opportunities to train the disadvantaged under the new vocational amendments. It appeared that no one present had ever read the new law or was aware of a single aspect of vocational education's long experience in training people for work. But there was a lot of discussion about the recent development of manpower training techniques, such as cooperative, part-time education programs, which in fact were old news when the Congress passed the Smith-Hughes Act in 1917.

I believe that the principal manpower development and training agencies of our nation must be the public schools. Our schools are the only institutions we have which reach every citizen. Unfortunately, too many educators will gladly shed their responsibility to the non-college-bound stude[illegible] Too many will gladly turn these students over to a separate manpower development system. This is the danger we fear—the prospect, well known to European systems, of a dual or caste system of education—one for the economic and intellectual elite; a second, and second class, system for the less gifted and the disadvantaged.

There is something terribly wrong with its va[illegible] when a society stigmatizes its craftsmen; when our educators cannot instil[illegible] their students a regard for the dignity of work; when a refrigerator technician or a plumber can earn $20,000 a year and yet be considered a second-class citizen, educationally and socially.

If the education community is to vigorously assume its responsibilities to the non-college-bound student, which I believe it must if our society is to survive; if we can agree that education and manpower training are subject to evaluation as a single system; and if we can assume, and I take it as a simple statement of fact, that our schools are the principal agency for job preparation; then I think it follows that our manpower training program must be conducted in a way that will encourage our schools to accept their responsibility in this

respect rather than encourage the development of new and separate institutions, thus reinforcing their inclination to abdicate their responsibilities. Anyone who looks at the per-pupil costs of remediation, and the human waste of irrelevant education, must know that our society cannot economically afford a dual system of education.

Permit me to list some of the elements which we of the American Vocational Association feel are either necessary elements of a comprehensive manpower program or are possible suggestions worthy of consideration and discussion.

1. First and foremost, education agencies must be the agency of first resort for the review and conduct of the educational component of manpower programs. In this connection, we must develop a working definition of what the educational component is and incorporate that definition into the law so that the two departments and the various state agencies will clearly understand it.

2. While the Neighborhood Youth Corps does provide part-time jobs for disadvantaged students, I believe no one would dispute that it is in no real sense a manpower training program. It is merely a subsidy program. The NYC can and should be transformed into a bona fide manpower program by transferring or delegating it to HEW for administration under the work-study section of the Vocational Education Act of 1963 as amended. Even the most cursory review of our manpower policies shows the error of funding the NYC to the exclusion of the vocational education work-study authorization.

3. Inter-departmental rivalries have, in the past, been responsible for much of the overlapping and lack of coordination which have characterized our manpower policies and led to the need for new legislation. Many individuals, in the Congress and the Executive Branch, have recommended a policy and coordinating, inter-department council, much like the old Federal Board for Vocational Education, to review and oversee the programs of the respective departments. Such an advisory or review committee should be representative of the operating departments and agencies and the public. They should be appointed by and report to the President. In addition, I believe that the President should have a person on his staff to serve as the liaison between the advisory group and all agencies of the federal government that conduct manpower development programs.

The American Vocational Association endorses the proposals to create such a coordinating and policy-making entity. Perhaps a consolidation of the present two national advisory groups would be a beginning. The states, too, need this kind of "systems" planning. Proposed manpower review commissions should be merged with existing vocational education state advisory committees. State plans for vocational education should be requested to consider manpower activities, and vice versa. We are about to have a proliferation of advisory and coordinating mechanisms at the state and national levels—all related to

manpower and education. We are fast approaching the day when we will be concerned with the problem of "coordinating the coordinators."

4. We believe that a key element of the manpower program should be provisions for upgrading the skills of entry-level employees in industry, tied to the filling of resulting vacancies.

5. We believe that a program to create new jobs in the public sector and consequent training for public service employment is essential.

6. We applaud the introduction of language designed to give incentives for quality programs. For too long we have reviewed project proposals strictly from the viewpoint of compliance with the process and procedures of contract applications.

7. We believe that no single department or agency is the sole repository of expertise in the manpower field. A case in point is the health-related occupations. It seems clear that in this area, the agencies of HEW are better suited to judge health manpower needs than are the state employment security offices. Section 202 of MDTA must be a two-way street. HEW should be able to initiate manpower programs too.

8. Provision must be made to strengthen the Employment Services, affording them more resources, visibility, and support. In all too many skilled occupations, the Employment Service is considered by employers to be the referral agency of last resort.

9. Some consideration might be given to structuring the manpower program along the lines of the GI Bill, thus permitting trainees to "shop" in the educational market for their training opportunities, subject, of course, to proper accreditation procedures, and assuring the provision of all related supporting services.

In conclusion, we are in great danger of proliferating responsibility, diffusing our attention, and reinforcing division—all in the name of coordination and planning. Our present solutions bear no relation to problem solving in any "systems" sense of the word.

We know that vocational education and remedial training are components of the manpower, career education, and development continuum but we cannot develop programs and policies for one without reference to the other. We know that elitism, snobbishness, and a monumental lack of adequate, relevant, quality, career-related education, from pre-school through post-secondary education, characterize the school crisis in America, but we continue to emphasize only those educational values which reward those individuals involved in academic, liberal arts, college and college-bound pursuits. We concentrate

all others into isolated programs for the "disadvantaged" and, in effect, condemn more than half of our population to second-class status.

If we do not find ways to change our attitudes and values, to bring the "disadvantaged" and the nonacademic mainstream of the population into the mainstream of our educational institutions, and to make our public educational commitment truly a commitment to the needs of all, then the manpower remediation cycle will expand beyond our economic means, and today's college campus cries for relevancy and change will be but a small footnote to the inevitable general protest of the great majority who constitute today's "educationally forgotten Americans."

ERNEST GREEN
WORKERS DEFENSE LEAGUE

I think, after listening to Mr. Hewitt and to Mr. Burkett, that the problem in community action organizations will be that centralization really stops just above that level. I think that it may be the philosophy of this Administration—not so much of the representatives of the Department of Labor here—to draw away from full community participation, community action, and the problems that they have had with the Model Cities programs.

Let me say here a word about my background. A non-academician, I came directly out of college into what we regarded as a simple-minded approach to what we thought at the time was a simple-minded problem of getting blacks and Puerto Ricans in New York into building and construction apprenticeships. Our program and others in the manpower area have been somewhat successful because the existing institutions weren't able to do the job; they didn't have the resources, the wherewithal, to bring it about.

A general problem, I think, with the decentralization bill that we are speaking of today is that it leaves out the community. It really puts a program in the hands of the people who, to borrow a worn cliche, "created the problem," and who in many localities are the least likely to respond by making substantial changes; that is, the state government in particular, or at the next level down, the prime sponsor—a mayor of a central city.

Furthermore, I agree that each manpower program today is existing as a direct consequence of the faults of the educational system, and if anybody is going to operate a manpower program, at some early point he has to decide to plug in an educational or remedial component—something that helps people make up for years of deficient education.

Now, judgment and accountability, I assume, is what most of the communities are interested in. They want people to be held accountable. They want to be able to have some fair standards of judgment, to be able to really see what quality programs are, and to see some results. Even if the Standard Metropolitan Statistical Areas were utilized, some of the material and readings I've been over in the past few years indicate that SMSA indexes are not sophisticated enough to pick up all the unemployed in those areas—many of the black, brown, red, and yellow people, or simply those who have stopped looking for work. I think that it is faulty to put the block grants in the hands of those people who, in many local communities, are not to be trusted and who in the past have not exhibited a great deal of concern about manpower. I am most familiar with New York City and its Manpower and Career Development Agency (MCDA), operating as a super agency out of the human resources administration. Almost daily there is a conflict between MCDA and the local Employment Service. Some of my best friends are in the Employment Service, and it has been beaten enough on problems of the manpower programs. But it seems to me that they want to give the block grants back to those institutions which have not carried out the programs in the past—which certainly is expecting a lot.

I think the position of this Administration is primarily to cut back community participation. But if we are going to hear from people in the neighborhoods that make up the inner city, and they should be heard, they should have some input if manpower programs affect their local areas. I think there is no getting around the fact that in the black and brown and other areas of American cities there are critical problems of employment, job opportunities, upgrading, and discrimination on job opportunities, and sooner or later the manpower programs have got to address themselves to these problems.

To revert for a minute: Historically, even with equal educational backgrounds in this country, there are income differentials between blacks and whites, whether the people are high school graduates or have college degrees. It's continuous, it has always existed in this country, and job discrimination is a crucial part of the problem of the black and brown people in the manpower area. I hope that a comprehensive manpower program will have as one of its targets to bring an end to this particular kind of discrimination.

The community action voices have had a lot of the wind kicked out of them because they have fought so many battles with the Office of Economic Opportunity (OEO)—battles over the spreading of limited funds on the Model Cities programs. The community action programs have dissipated to the point that there is no comprehensive single voice or chorus of voices raising the serious problem of to whom you decentralize and how the block grants are to be allocated.

I would like to see an organization for community action programs and local manpower operatives outside the establishment. I would like to see them have a spokesman on the level of Lowell Burkett to make an appeal on the inadequacy of the block grants approach. I don't think anybody can argue that there is not a need for some organization to prevent the overlapping of the many programs, to bring about some comprehensiveness, cohesiveness, and direction as to what the programs are designed to do, and to plan before a program is implemented. All of this is noteworthy; it's no different from what is required in any other area.

The manpower area has boomed over night. It is important because it represents money and jobs to many local and state governments. But it seems to me that the crux of it—my gut reaction as well as what I have learned from talking to a number of other people who are involved in community action programs—is that the intention clearly is to leave community action programs with very little community voice in decision-making policy and without a real and viable input. I think it would be a tragic mistake—another tragic mistake in this country where we have tragic mistakes almost daily now—to expect those institutions that didn't perform previously to do so now. Because they didn't perform, many of the community action organizations sprang up—organizations like ours. I must say that we have had the luxury of a national contract, and I shudder to think of what will happen under the block grant arrangement if that area is removed. Hopefully the Department of Labor will keep an area outside the local entity, particularly the local and state governments. For the last three years and up to now, under the national contract to run a manpower program on construction job training, we have had the freedom, and have been able, to develop a comprehensive program that so far has been able to bear up under the results.

It will be a tragedy if the Administration thrust at this point is to cut back even further on local participation, and by local participation I don't mean the local mayor. It seems to be clear from the discussions this morning that the intent is to retreat further from participation of the people in the local areas who at this point have been fired up and obviously are concerned because they live and breathe the problem. Some of us, the technicians and the experts, may not think that the guy who is in pain knows what is paining him, but clearly he wants to have some say in whether you are going to amputate his leg or whether you are going to give him novocaine or some therapeutic aid.

If this is the period of New Federalism, I think the Administration has to take another look at the level of participation and carry it one step further down. In particular, it should address itself to two areas: One is discrimination in employment because this is clearly a problem that affects nonwhites. As long as this discrimination continues, no matter how much effort and energy is put into a comprehensive manpower program, there still will be a differential in income, job types, and job capabilities—and a perpetuation of the problem.

Second, I agree with Mr. Burkett that as long as the educational systems of most large cities—and my personal experience is in the 17 large cities where we are presently working—are allowed to turn out kids who are uneducated and untrained, the problem will persist. I am speaking of those who stay in schools as well as those who drop out, and I think that this is the tragedy of the American educational system. Even if you consider only those who somehow believe that if they stay in school, it's going to affect their ability, their job search, and their earning power and give them a chance to improve their life styles, you find them coming out reading on a ninth, eighth, or seventh grade level. I used to say that the brighter kids were those who dropped out earlier because if they dropped out around the sixth or seventh grade, at least they were reading near grade level. The longer they stayed in school, the wider the gap became.

I guess that the factors of judgment and accountability will come up in the discussion, as the Administration has placed great stress on being able to support and expand quality programs. It is important that the judgment and accountability be spread beyond just the local and state governments because I think that in many cases they are incapable at this point of making sound judgments and certainly of making themselves accountable.

SAR A. LEVITAN
CENTER FOR MANPOWER POLICY STUDIES

Our meeting today is another strange campus happening to which we have grown accustomed in the past few years. In a different age I would question the propriety of this session. I know of no culture which provides for an elaborate wake of an aborted birth. But here we gather together from all corners of the United States to do just that. As spring is passing into another hot summer and as Congress is readying for another election, the chances for manpower legislation in the 91st Congress are becoming ever dimmer.

If the weather were better, there would be no need to justify a clambake in Madison during mid-May, but an occupied campus and the debris left by would-be Wisconsin scholars is not a proper environment for a dignified wake. Moreover my sense of propriety is gnawing away, and I doubt whether the Center for Studies in Vocational Education is the proper place to lament the Manpower Training Act. To be sure, the laws of abortion are changing rapidly, but is it proper to mourn under the tent of those who helped to bring about the abortion?

We all know that the American Vocational Association and the National Advisory Council on Vocational Education are in favor of comprehensive manpower legislation and that they favor in principle the proposals embodied in the Manpower Training Act, the Steiger bill, and the O'Hara bill. The vocational edu-

cation establishment just takes exception to the provisions that follow the preamble to the proposed pieces of legislation. Spokesmen for vocational education protest that they favor comprehensive manpower legislation once a bill is perfected. Since Congress has never passed a perfect bill, there is little chance that vocational educators will approve of the Manpower Training Act or a substitute measure.

By the time vocational educators get through with listing their exceptions to the proposals, the message is loud and clear. For example, the National Advisory Council on Vocational Education bemoaned the fact that there are too little funds for preventive functions, but ample funds for remedial education. NACVE pleaded that this ought to be reversed.

It is ironical that spokesmen for the poor are also opposed to the Manpower Training Act and related legislation. It is surprising that legislation which would lock in manpower funds for the use of the poor is being opposed by the National Association of Community Development and others who purport to represent the interests of the poor.

Each categorical program that was enacted in the past eight years has created its own supporters and lobby, and these vested groups guard jealously their jurisdictions and rice bowls.

Just last week a number of liberal Republicans in search of some domestic measures to counteract our westward expansion from Vietnam hit upon the Manpower Training Act as one domestic measure worth dusting off. But the President's promised return to Vietnam, where we presumably belong instead of expanding into Cambodia, seemed to dampen enthusiasm for new social legislation.

Top Labor Department officials who have attempted to administer the programs that proliferated during the past decade would like to consolidate the programs and their jurisdiction over these efforts. In any event, they seem to have tired of their preoccupation with paper shuffling. Understandably, they would like to do something more useful and in the process improve the delivery of federally-funded manpower programs. But the desires of the chiefs are not necessarily shared by the Indians who run their own categorical programs and fear that consolidation would encroach upon their domains. This leaves a few academics committed to the consolidation of manpower programs, but they control few precincts.

Since we are not likely to get significant legislation which would affect the delivery of manpower services, what is the likely direction of manpower programs? Ignoring the alarmists' views that present manpower programs are creating a dual training system, it would seem that vocational educators can play an increasingly important role in training programs. This is likely to hap-

pen not because the Assistant Secretary for Manpower and his staff are about to relinquish any of their authority and powers over manpower efforts, but rather because in the short run as long as the level of unemployment continues to mount, the programs favored by the manpower administration are going to face increasing difficulties, and the manpower administrators will have to rely to a greater extent upon institutional training to provide for the clients of manpower programs.

Aside from some irregularities which have shaken the faith in JOBS, it is becoming clear that the program is not living up to expectations. The $420 million that the Administration had originally allocated to the program for fiscal 1970 was reduced to $300 million four months ago, and according to the latest notices, the funds earmarked for Job Opportunities in the Business Sector (JOBS) have been further reduced to $175 million during the current fiscal year.

No doubt the lackluster record of JOBS is partly due to the rising unemployment. But performance during the past two years raises doubts about the excessive faith that the Labor Department has placed in on-the-job training (OJT) for training disadvantaged workers.

The current economic slack may offer vocational educators the opportunity to assume a greater role than they have played during recent years in delivering needed training to the unemployed and preparing them for gainful employment when economic conditions improve. As long as loose labor markets continue, the pressures for immediate delivery of full-fledged employable persons will be diminished and the enrollees' choice to opt for jobs instead of training will also be reduced. Under the circumstances, more trainees are likely to complete a course of training offered under the manpower programs.

All this assumes, of course, that the Labor Department is not going to reach out for new panaceas and that vocational educators will be willing and capable of assuming the proper responsibilities for unemployed and unskilled workers. Having achieved less than a proud record with JOBS, the Labor Department may place excessive reliance upon other programs which tend to exclude public vocational educators from training the unemployed. The question is whether manpower administration policy-shapers would cooperate more closely with vocational educators rather than keeping training funds in the family and relying upon state and local employment agencies to do the job without outside help.

Rising unemployment may spur Congress to earmark funds for public employment hoping that public agencies, sponsored by federal subsidies, will absorb the unemployed. There are good and sufficient reasons for boosting manpower funds during a period of rising unemployment, and the Manpower Training Act proposes an automatic increase of 10 percent in selected manpower funds when unemployment reaches 4.5 percent of the total labor force for three consecutive months.

While this provision attempts to integrate manpower programs with overall economic policy and is admirable in principle, it is adequate only as an opener. At the present level of appropriations, an increase of 10 percent in funds allocated to the selected manpower programs covered by the Administration's bill means a boost of about $155 million.

Congress would do well to adopt the Administration's proposal of automatically boosting the funds allocated to manpower programs by 10 percent when unemployment reaches 4.5 percent. But the plan should be extended by raising manpower funds 10 percent for each two-tenths percent increase in unemployment. This would mean that the funds allocated to manpower programs would rise automatically by 50 percent (about $800 million at present level of appropriations) when unemployment reaches 5.3 percent, and the funds would double if unemployment rises to 6.3 percent. This provision, together with another proposal by the Administration calling for an automatic extension of unemployment insurance when the number of insured unemployed reaches 4.5 percent (about equivalent to 5.7 percent of total unemployment), would provide a measure of automatic aid to the victims of monetary and fiscal policies.

The added manpower funds to provide for the victims of unemployment should not, however, be considered a substitute for training programs. We can hope that the Labor Department with the cooperation of vocational educators and others will provide needed training on public employment projects, but the work experience record during the past five years hardly justifies great optimism on that score.

This brings us back to the need to decategorize manpower programs and allow states and communities to plan and design manpower programs which they can administer and which suit their individual needs. In the absence of congressional leadership, there is no evidence that present manpower administrators are any more enthusiastic about relinquishing their powers than their predecessors were during preceding administrations.

There is little sex appeal or ballot box appeal in overhauling the administration of manpower efforts, and few congressmen will push for legislation which would improve the delivery of manpower services as long as the vested groups oppose the changes. Thus far the vocational education establishment has done more than its share to stymie the Manpower Training Act or related legislation.

My hope is that this wake should not be in vain. As Professor Somers suggested, the bringing together of representatives of diverse groups should help clarify issues and hopefully resolve conflicts. Granted that the chances for decategorization and decentralization of manpower programs are not too good in the 91st Congress, the need for the legislation is not going to disappear.

Minorities with a just cause have prevailed before, and in these unpredictable days, the supporters of comprehensive manpower legislation might win the day. If this gathering does not accomplish anything else, it can pray for the success of the proposed legislation.

SECTION 2

Nelson Cummings, Chairman

22/23

AN EVALUATION OF THE NEW MANPOWER LEGISLATION

WILLIAM R. BECHTEL
SENATE SUBCOMMITTEE ON EMPLOYMENT, MANPOWER AND POVERTY

The nation's manpower training programs, which serve approximately 425,000 persons at a cost of some $1.6 billion a year, underwent major changes with the inauguration of a new Administration in 1969. The Job Corps was drastically cut back, to save $100 million. A total of 59 camps were closed. The Neighborhood Youth Corps and Concentrated Employment Programs also underwent major changes in their operating guidelines. But the most significant change of all was the decision to make a relatively new program—Job Opportunities in the Business Sector—the centerpiece of a redesigned national manpower policy.

Dr. Sar Levitan, Director of the Center for Manpower Policy Studies in Washington, summed up the new Administration's manpower policies recently in these words:

> President Nixon has consistently supported the idea that the private sector should take a more active role in manpower programs. The ideology of the "New Federalism" is that centralized administration should be reduced and the role of the state and local governments expanded, and that these functions should be transferred as much as possible from the public to the private sector. Translated into more specific terms, the Republican precepts of the present Administration favor incentives for the business sector to hire and train the disadvantaged. On-the-job training is preferred over institutional training, private over public employment programs, and "workfare" over welfare.
>
> The most striking changes during the first year of the Nixon Administration indicating program emphasis were the drastic curtailment of the Job Corps and the expansion of Job Opportunities in the Business Sector (JOBS).

The redesign placing the new emphasis on training in the private business sector took positive form when the Secretary of Labor announced that $420 million would be budgeted for the JOBS program to create 140,000 jobs in fiscal 1970, which he described as an increase of 75,000 jobs. A Labor Department table of manpower training opportunities for fiscal 1970 listed 140,000 training opportunities for the JOBS program. This was to have been truly a major increase. It was repeatedly cited on the Senate floor during debate over cuts in the Job Corps. A number of senators, using Labor Department figures, said that the vast increase in JOBS would dwarf the cut of 17,500 training opportunities in the Job Corps. It was stated that JOBS would offer 60,500 training slots for the out-of-school youth alone—again a truly remarkable increase.

What are the results, one year later?

Working against that goal of 140,000 jobs, the JOBS program—not just in fiscal 1970 but in its almost two years of effort to date—has achieved this record:

Jobs pledged	99,846
Persons hired	84,703
Terminations	50,225
Presently in the program	34,478

These figures were supplied by the Secretary of Labor on April 23 as the latest available figures. They are cumulative data, from the beginning of the program in 1968 through January 31, 1970.

A similar story is told in dollars. Working against that goal of $420 million, the Administration through March 31 was able to obligate $122.8 million and spend $59 million.

The troubles of the JOBS program are told in those figures. Retentions lag well behind terminations. Outlays have continued to lag far behind obligations. In fiscal 1968, $104.7 million was obligated but only $4.2 million was spent. In fiscal 1969, $153.8 million was obligated but only $41.7 million was spent. And in fiscal 1970 through March 31, $122.8 million was obligated and only $59.4 million spent. If the JOBS program were growing the way its sponsors hoped, there would be a rush of outlays representing contract obligations of 1968, 1969, and 1970. But there is no such rush. In fact, in fiscal 1968, fiscal 1969, and fiscal 1970 through March 31, the program has spent only $105.8 million—just slightly over the $104.7 million mark which was appropriated and obligated in 1968.

Far from paving the way to a massive new design of federal manpower policy, the JOBS program is just now reaching the level budgeted for it back in 1968.

What has gone wrong?

A serious study of the program by the staff of the Senate Subcommittee on Employment, Manpower and Poverty indicates that there are at least three major reasons for the failure of the program to come anywhere near the goals set for it a year ago by this Administration:

1. The program's vulnerability to recession was greatly underestimated. JOBS was created in a period when the unemployment problem seemed limited largely to a relatively small group of hard core disadvantaged persons. It seemed logical that a partnership between government and business could find jobs for many or most of these. The addition of more than one million people to the unemployed rolls in the past year has changed all that.

2. A second reason for failure to come anywhere near the stated goals was a serious underestimation of the resistance of businessmen to signing JOBS contracts. This led to what appears to have been an unexpected development. Recognizing a social obligation to help find jobs for the disadvantaged, but being wary of doing the task under a government contract, a substantial number of businesses said "we'll do it on our own"—with no government money, but also with no guidelines and no standards. Laudable as the motives may have been, this has led to a fatal corruption of the data on the JOBS program. We now have a program which operates in two parts. Figures on the voluntary program are virtually worthless. Yet the two programs are so inextricably combined that the Labor Department, when asked this week about the failure to reach its goals in the contract program, was able to reply, "We underestimated the success of the voluntary program."

3. The third and most serious reason for the failure of the JOBS program to meet its goals is the astonishing termination rate. Herein lies the story. This is what serious students of manpower policy might study to find the most significant answers.

Before we study that termination rate, let's take a moment to recall the exciting concept of the JOBS program. Remember, in the words of its most enthusiastic backers, this was not just another manpower program. This one was unique, because every man in it was to be *hired first*. He had a job—a permanent job—from the moment he entered the program. This feature of the JOBS program has led its supporters, including high officials of the Labor Department, to claim "100 percent placement" for the JOBS program, a truly remarkable claim when you realize the relatively poor record of other manpower programs. The slogan for JOBS is, "Hire first, train and retrain." It is an impressive slogan.

In addition to the unique guarantee of a job, the program also offers a highly attractive package of government financed on-the-job training and sup-

portive services. Job-related basic education alone in some contracts is priced at $1,360 a year. Trainees are also offered orientation and counseling, free transportation to and from work, child care services, free medical and dental exams, free eye glasses, and the assurance that their supervisors will get special training in how to understand them and their problems.

This impressive package of benefits, including a 50 percent wage subsidy, could cost the government up to $6,000 or more per trainee under some contracts. The present ceiling is $5,213.

With the assurance of a permanent job, on-the-job training to learn a valuable skill, and all these other services, one would expect very few would be so foolish as to drop out. Let's look at the record:

The first JOBS contracts negotiated in March through August 1968 were known as MA-3 contracts. Under these contracts

45,300 were hired
30,736 were terminated

for a retention rate of 32.1 percent.

Of those who were terminated, almost half were gone before two months were up; 72 percent of them were gone before four months; 92.7 percent before eight months.

The second contracts, in September 1968 to April 1969, were called MA-4 contracts. Under these contracts

31,362 were hired
17,020 were terminated

for a retention rate of 45.8 percent.

Of those who were terminated, 71 percent were gone before two months; 89.5 percent before four months; 99 percent before eight months.

These contracts represent 91 percent of all persons hired under the JOBS program. They document a disastrous termination rate which is a major key to the failure of the program to meet its goals. These figures also refute the claim of the National Alliance of Businessmen (NAB) and the Labor Department that that huge total of "terminations" actually includes many who have merely "terminated their training" but stayed on as permanent employees. That is not true. These were 12-month training programs. The fact that 92.7 percent and 99 percent, respectively, of the terminees were out in eight months means that only a tiny fraction—if any at all—could conceivably have completed their programs and been dropped from the rolls even though still on the job.

Why this astonishing termination rate—a rate incidentally far worse than the Job Corps, which was so denounced a year ago? (The Labor Department on

April 30 reported that the JOBS program has the worst termination rate of any federal manpower program. The Department calculated the "percent of terminees who left within 90 days": for the Job Corps, it was 44 percent; for JOBS, it was 65 percent. Another intriguing figure shows up in this recent table under the heading "placement—employment, armed forces and full time school": for the Job Corps, the figure is a comparatively high 67 percent; for the JOBS program, we are told the information is "not available." Faced with a termination rate of up to 67 percent, and reluctant to abandon the old slogan of *"100 percent placement,"* the Labor Department ducks the issue by saying that placement or retention—whatever you want to call it—just can't be computed.)

But to restate the question—why the disastrous termination rate in this program which offers a permanent job, a valuable skill, and a highly appealing array of social services?

To understand this question, you must look beyond the *concept* of the JOBS program and look at the reality of the contracts.

Unless the failure of public programs to deliver on their promises has made you immune to shock, I think you would be shocked as you measure the contracts against the concept. Let me race over some examples.

A Dallas (Texas) dry cleaners consortium of 19 small firms got a $1,258,637 contract to train 450 silk finishers and wool pressers at a cost of $2,796 apiece, even though the 19 firms involved presently employ only about 100 people and there aren't 450 such jobs in the whole city of Dallas. The program ran for eight months and used up $424,607 before a newspaper exposed the fact that the trainees had never even been hired for jobs—the first requirement in a JOBS contract. Now the Labor Department has cancelled the contract and turned out all the trainees, unpaid and without jobs.

A New York trade school firm, American Learning Systems, created a consortium of about 20 small firms and won a JOBS contract for $6,675,000 ostensibly to create 1,955 jobs. Two-thirds of the money—$4,781,616—is to go to American Learning Systems for providing education, counseling, medical care, etc. Yet four employers under the contract told government auditors that the services are not being provided. One said the government was "not getting anything for the money." A former employee of American Learning Systems said trainees working in low skill assemblers jobs were listed as higher skilled truck operators under this contract so the government could be billed at a higher rate.

Merit Enterprises, Brooklyn, N.Y., got a $544,600 contract even though it has "a fantastic record of job turnover" and highly seasonal production. The firm hired 479 Puerto Ricans, Haitians, and low skilled American blacks at $1.60 an hour (with half the salary paid by the govern-

ment). Once its Christmas production rush was over, it laid off 100 percent. Despite this record, the Labor Department has agreed to consider giving the firm a new contract for the coming production season.

Alladin Heating Corp., Alameda, California, got a $166,174 contract even though it stated in its proposal that "the total crew will be subject to layoff upon contract termination." True to its word, the firm hired 155 and terminated 146. The promised on-the-job training was not given. Classroom training was begun and dropped. Six out of 10 trainees interviewed by government auditors did not even know they were JOBS trainees. All 10 said they were never taken off the production line for special training or counseling.

Woodside Division of Dan River Mills, Greenville, S.C., got a $1,856,000 contract to hire 1,000 trainees at $1.60 an hour (50 percent subsidized). It plans to bill the government for $132,000 for orientation which is spelled out in precise detail—including one hour entitled "welcome to Woodside Mills; one hour to discuss vacations, one hour to discuss leaves of absence, six hours to tour the plant and two hours set aside for location of rest rooms."

Republic Steel Corp. has billed the government for "special counseling for anticipated layoffs." This is one example of training which trainees have been able to put to use, because the firm has now laid off a number of its JOBS trainees.

A Detroit manufacturing firm promised 26 weeks of on-the-job training at a cost of $1,040 per trainee. Company officials admitted to Government Accounting Office auditors that no formal or scheduled on-the-job training was implemented. These officials could cite no costs they incurred for such training. Of nine trainees interviewed, six said they were put right to work without any training—and as general laborers rather than as machinists, as provided in the contract.

There are many, many more examples.

What are the common elements that run through these cases?

1. Many contractors never hire the trainees they contract for. The New York consortium is an example. It seems to be falling flat on its face. Such cases explain the gap between pledges and hires. Thus the total of "jobs pledged" is of little value as a measure of program success.

2. Some contractors hire several times their contract number, because of fantastic termination rates. Leaf Brands in Chicago has hired 728 people

for 200 jobs. Thus even the total of persons hired may be of little significance; it does not measure people in the program.

3. The causes of termination vary greatly, but it is clearly a mistake to conclude that trainees merely drop out from lack of desire to work. They didn't drop out at Merit Enterprises or at Alladin. At Zenith Radio Corp., 28 percent left of their own accord; 61 percent were laid off.

4. Most importantly, the common theme you see running through what I would call the bad contracts is a *failure to deliver the promised services.*

And this failure to deliver promised services—services for which the government is regularly billed—definitely plays a role in the high termination rate.

The GAO testified before our subcommittee:

> We have noted various examples of employers who did not provide contractually required supportive services to trainees, although the employers were paid for such services. . . . Experience gained by the Department in prior manpower training programs indicates that supportive services are necessary to assist a disadvantaged person in adjusting to the job and in keeping him on the job.
>
> Two examples of cases noted in our review where a lack of supportive services and training seemed to contribute to high termination rates follow:
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> A janitorial service in Portland contracted with the Department to provide supportive services, including initial orientation and counseling, job related basic education, special counseling and coaching, medical and dental examinations, and transportation . . . . In his proposal the contractor stated that he would hire a qualified teacher to teach reading, writing, arithmetic and communications skills required for job performance, as a part of job related basic education. We found that the employer's actual program for job related basic education consisted of explaining the nature of payroll deductions to trainees. No teacher was hired. Trainees were not given special counseling, only brief orientation, and only a few were provided medical or dental exams. Of the 35 individuals hired to fill the 16 positions under the contract, 25 terminated; 16 of these after being on the job four weeks or less.
>
> A consortium contractor in San Francisco hired 36 trainees and had terminated 20 between March 1969 and December 31, 1960. The consortium contract provided for a full range of supportive services and vestibule skill training to be given by a subcontractor, in classroom type situations. We found, however, that these services, with the exception of some counsel-

> ing and orientation, were not given to the trainees . . . . The subcontractor, who turned out to be one individual with no staff, did not have the necessary funds to set up the vestibule and supportive services classroom job.

Sheldon Roodman, a Chicago Office of Economic Opportunity Legal Services lawyer, testified in behalf of the Northwest Employment Development Corporation, a community group which has a JOBS contract involving 24 employers on the near northwest side of Chicago. The consortium was organized by an association of local business firms called the Industrial Council of the Northwest Community, Inc. The Northwest Community Organization, desirous of playing a role in manpower training for the disadvantaged in its area, offered to form a community-owned corporation to provide the supportive services under the contract.

As attorney for the community corporation, Mr. Roodman's experience has been grim. When he visited the 24 companies in the consortium, only seven understood the objective of JOBS. Four promptly withdrew when they learned it involved hiring the disadvantaged. Many of those who remained continued to fight the concept. Mr. Roodman testified:

> From the inception of the program the job related education program, which consisted primarily of teaching English to Spanish-speaking unemployed, was minimized and subordinated to other interests and needs.... Immediate company job needs often required trainees to start full time on the job with the oft-stated promise that job related education could commence in a short time after the company crisis subsided. There was a prevalent company attitude that job related education was not required for adequate job performance, which was undoubtedly true, given the low skill nature of many of the jobs.

Fighting for a chance to deliver on the rosy promises of the contract, the community corporation turned to the Labor Department for guidance in this dispute over whether education had to be delivered as promised. Mr. Roodman testified:

> Specific written requests were made to the department for a clear statement of the minimum job related education required under the contract. No written answer has been received. However, informally and orally it has been stated that the amount of training required was that which was necessary to prepare trainees for adequate job performance, which was minimal. With this interpretation from the Department of Labor, [the community] corporation's ability to promote job related education was substantially undermined. As a consequence, some 340 of a total of 470 persons hired as MA-3 trainees have already terminated, all but 70 of them without ever having been exposed to the spoken English or basic education that the program was to have offered them.

Mr. Roodman made a similar indictment of the on-the-job training component in JOBS contracts. He said it is largely an illusion. The contract has reimbursed employers for anywhere from $800 to $3,000 for on-the-job training. Yet, he testified, "for most of the jobs this has amounted to no more than 15 to 40 minutes of initial job instruction and infrequent personal supervision to correct work procedure." For a job listed as a "packer," which apparently is a person who loads a truck, the contract provides $1,155 for on-the-job training. Roodman cited another job for which the on-the-job training cost is listed at $1,440. Yet on-the-job training consists of little more than 40 minutes of familiarization with the job on the first day—the same given all other employees.

One of the most alarming trends in the JOBS program is the rapid growth of subcontractors—the NAB referred to them in House testimony as "flesh peddlers"—who openly solicit employers to negotiate JOBS contracts. The subcontractors offer to provide everything. They will draft and get approval of the contract; they will recruit the workers; they will provide all the supportive services, and "it won't cost you a thing," they assure the employer. Advertisements to this effect have been published in newspapers by American Learning Systems.

The Systems Development Corporation study done under a Labor Department contract sounded a warning about the proliferation of subcontractors. It said that there were more than 150 such firms in the Los Angeles area alone.

I talked with the JOBS project director at Hoffman Brothers Packing Company in Los Angeles, who felt he had been burned by a subcontractor. He said: "They are springing up faster than Holiday Inns. All you need is five chairs and a blackboard and you are in business."

Those who are concerned about the development of a dual system in the field of vocational training and education might take a good look at the $6.5 million New York contract involving American Learning Systems. For example, for an assembler at International Appliance Corporation, the contract provides $720 per trainee for on-the-job training and $1,120 for basic education. For a shipping clerk at the Excellent Bag Corporation, the contract provides $1,363 for basic education and $580 for on-the-job training. For the Yoo Hoo Beverage Company, the contract provides—for a maintenance man—$1,800 in on-the-job training and $1,363 in basic education. American Learning Systems has leased large amounts of space and is in the process of setting up elaborate education centers in connection with this $4.7 million contract for services.

Similar things are going on in companies all across America, large and small. There seems to be little uniformity in the contract payments approved for education and on-the-job training, however. A study by Sar Levitan and Garth Mangum, cited in our staff report, shows that costs for janitors, for example, can range from $1,000 to $3,600. At the State Poultry Company in Jackson, Mississippi, basic education for an industrial truck operator is $150. For a foreman it is only $420. But at URB Products in Farmingdale, N.Y., basic education for a pool table assembler is $1,120. For the Freeport Shrimp Association, basic education for a fishing boat trainee is $1,131.

One more factor which must be mentioned is the frequency of low pay, dead-end jobs. The Austin Laundry and Dry Cleaning Company got a contract to hire silk finishers at $1.30 an hour. The wage cost to the employer is 65 cents. Laurelwood Medical Hospital at San Antonio got a contract for maids and cook helpers at $1.30. There are many contracts for $1.60 an hour. Where these are stepping stones to the learning of a skill and a meaningful wage, they can be justified. But many of these low paying contracts offer little beyond the job the trainee takes the first day at work, and a pay ceiling of $2 to $2.25 an hour.

Peoples Drug Stores in Washington hired more than 100 trainees at $1.80 an hour. They got virtually no training and no special services. They stayed an average of one month and 14 days. Almost all have terminated. But the employer does not see that as unusual. He testified that the JOBS trainees are essentially the same people he has been hiring all along, and they stayed about the same length of time. That is what the labor market is like at $1.80 an hour in Washington, D.C. You push a broom for $1.80 an hour until you find something at $1.85 or $2.

To those who wish to seriously evaluate this program, the biggest single shortcoming is the lack of reliable data. The GAO testified:

> There are significant shortcomings in the management information system. We believe there is a need for much more complete and reliable data on JOBS program operations, particularly data concerning the eligibility of participants, and follow-up data concerning persons who had dropped out or have completed training . . . . We believe complete data is essential to permit effective administration and evaluation of the JOBS program.

The Systems Development Corporation Study done for the Labor Department was even more blunt. It stated:

> Reliable information concerning the number of people actually placed under the program and the number currently at work is, for all practical purposes, impossible to obtain.

The Washington Post stated on May 12, 1970:

> Secretary Shultz conceded JOBS is not perfect, but said the program should also be judged in the light of its achievements, such as the hiring of 432,000 disadvantaged persons . . . .

There is no way to substantiate that figure. In the first place, even the NAB, which supplied the figure, will not stand behind it. The data simply do not exist. Back when NAB claimed a total of 380,000 people hired, GAO found "hire cards," a basic item in the NAB Management Information System, were

available for only 158,904 or 41.8 percent. Since the IBM computer card information system wasn't producing the numbers needed, NAB took to telephoning around the country and asking NAB directors how many jobs they had filled. That's how they got it up to 380,000 by the end of January and 432,000 by the end of March.

But bad as its reporting system is, even NAB is forthright enough to acknowledge that those 432,000 alleged hires must be reduced by 243,000 terminations. NAB also has progressively reduced its retention claim from 80 percent to 48 percent.

So, if you really do want to attribute to this program the achievement of having hired 432,000 disadvantaged persons, you must remember that more than half of them are already gone, and that the data to prove that they were ever there do not exist.

In summary, the nationwide failure of the JOBS program to deliver jobs, education, and training to the disadvantaged is thoroughly proven by the nationwide figures. The bad contracts which have been exposed are not isolated examples, but are an inevitable result of weaknesses in the program as a whole. The failures result from the highly publicized and completely unrealistic goals, the hasty negotiation of contracts in hopes of meeting these goals, a failure to monitor contracts, and a refusal to face up to failures in the program when they have been revealed by impartial auditors. Rather than a massive increase to 140,000 jobs in the contract portion of the program, the program has achieved what I would consider a rather pitifully small increase (as of March 31) of only about 11,000 over June 30, 1969.

The responsibility for shortcomings in the program must be shared by the NAB and the Labor Department. The NAB receives more than $5 million in federal funds. It sees itself simply as a promoter of the program. It is placing advertisements and news releases all over the country, praising the program as a tremendous success. When the NAB testified before our subcommittee, their praise of the program consumed 33 typewritten pages before Senator Cranston asked them about the first bad contract. The NAB promptly abandoned all responsibility. The witness testified:

> This is not our job. I probably should not even comment on it. The task given us was to get the jobs, and we don't have anything to do with the monitoring, or the actual contract itself.

The NAB witness went on to denounce the Senate subcommittee staff report for "pointing out a few horrible examples":

> Of course, I dislike these horrible examples. I think these things should be exposed, and I think the program should be monitored . . . but that is not really our job.

It certainly isn't.

The Labor Department has now faced reality and made a further budget cutback for JOBS. From $420 million, we are now down to $175 million for fiscal 1970.

The victims of these horrible examples, of course, are not the NAB or the Labor Department, but the poor and unskilled members of society who were supposed to reap rich benefits from this program. No matter whose figures you use, more than half of those who staked their hopes in this program are back out on the streets again, most of them without ever receiving the prize we dangled before them. We are told that many are more bitter than ever.

Frankly, it is in the hope of getting someone to consider their plight that I make this report to you here today. The things brought out in the GAO audit, in the testimony of many witnesses before our committee, in the staff report, and in these remarks of mine are going to make a lot of people unhappy. They should. They are going to cast a cloud over a program which up until now had been viewed by almost everyone as highly successful. They should.

There are no lobbyists in Washington representing the hard core disadvantaged. When a JOBS contract is negotiated, the disadvantaged are not a party to the contract.

If we are going to use them for billing purposes, if we are going to count them up in order to make the record of the program look good, I think we should give them something in return. I think we should give them a JOBS program which lives up to its lofty concept, which provides good permanent jobs, genuine training for a skill, solid educational and other supportive services provided by competent people.

Until that is achieved, there are a number of us who plan to continue making a number of people unhappy.

SECTION 3

James E. Jones, Jr., Chairman

PROBLEMS AND PROSPECTS OF A COORDINATED WORKING RELATIONSHIP: PANEL DISCUSSION

CLARENCE GREIBER
WISCONSIN BOARD OF VOCATIONAL, TECHNICAL AND ADULT EDUCATION

I would like to reemphasize several comments which were made regarding vocational education by this morning's panel. In Wisconsin, vocational and technical education, since its establishment in 1911 as a state system, has assumed a total manpower training responsibility. Vocational education in our state continues to provide a comprehensive program which recognizes a responsibility for meeting the needs of youth and adults, in-school and out-of-school, in full-time and part-time day and evening programs. We have a separate State Board of Vocational, Technical, and Adult Education representative of labor, management, the general public, and government which by its very composition is able to respond quickly to new manpower demands which are placed upon the system.

Vocational education is manpower with the educational component added. Vocational educators are concerned about the possible development of dual manpower training systems and feel that traditionally many states have adequately met the challenges of manpower supply. I hope that the state advisory councils required under the provisions of the federal Vocational Education Act will urge vocational education systems throughout the country to commit themselves to a total manpower training and education responsibility.

I also want to emphasize that it is impossible to separate "preventive" from "remedial" programs of vocational education. A so-called "remedial" program may serve as preventive for an adult whose occupation has disappeared and who must prepare himself for a new occupation.

In discussing the question of working together in achieving a coordinated work relationship, I would like to point out some of the actions which have been taken in our state. First, I will make some observations on state-federal relationship in delivering manpower programs; second, I will review some of the basic weaknesses in relationships between agencies of state government;

third, I will discuss some of the vehicles for executive formation of state manpower policies; fourth, I will discuss the state Manpower Council's role and responsibility; and finally, I will review the relations which exist between agencies concerned with manpower in Wisconsin.

The past decade has seen the growth of an impressive number of federal programs designed to meet manpower problems across the country. Examples of these are the Manpower Development and Training Program, Concentrated Employment Program, the Work Incentive Program, and others. These together with traditional programs provide an imposing array of manpower programs in Wisconsin. During the 1969-71 biennium, our state government is administering an estimated $275 million in manpower programs.

As State Director of Wisconsin's vocational and technical school system, I have had many years of experience in working with federal programs. I have seen the following problems in delivering manpower services and training for the world of work. First, there is no overall federal manpower policy today.

In 1967 I was privileged to serve on a committee appointed under congressional authority which was assigned the responsibility of reviewing the administration of training programs. A part of the charge given to the committee was: "The study is to have as its principal purposes, to determine if there is waste, duplication and inefficiency in administering these programs as many individual programs, and if this determination is in the affirmative, to make recommendations for correction."

After a year of hearings held throughout the country, in March 1968 the committee issued its report which included a substantial number of recommendations, one of which read as follows:

> National manpower policy, currently expressed only through an incoherent aggregation of laws and practices, needs to be definitively formulated and codified. Goals, commitments, priorities and constraints need to be delineated. Interrelationships between employment, training, education and welfare policies need to be explicit.

As a result of the development of many manpower programs during recent years, there is fragmented, uncoordinated administration of manpower programs. The state's job of guiding and delivering manpower programs is made very difficult by this weakness. The federal government is primarily interested in reaching national objectives irrespective of the importance or uniqueness of state manpower problems. National programs have dominated all action to meet manpower needs. As an example, only a small part of Wisconsin's vocational system funding is federal; yet federal program requirements have increasingly directed where the large share of state and local funding is to be spent. In other words, the tail appears to be wagging the dog.

When I first joined the vocational and technical education system in Wisconsin more than 40 years ago, there was considerable criticism of the federal controls attached to federal funding. It is my observation that federal controls today are much greater and more stringent than in the past. I also believe that many states would be able to do an effective job without the federal controls which have been established. If federal controls are necessary to force certain of the states to meet minimum standards, they should be considered for these states only. It is apparent, therefore, that during recent years the state and local partnership of the federal government has been neglected and dominated more and more by federal programs.

Because of these problems in federal-state relationships, I look upon the Nixon Administration's New Federalism with some anticipation. As I understand New Federalism, Wisconsin's community and state government will be encouraged to take initiative and leadership in meeting a variety of problems before us today. New Federalism means to me the opportunity for Wisconsin state government to try new approaches to meet manpower needs.

As I have already indicated, there are weaknesses in relationship between agencies within state government. Up to now Wisconsin state government has followed a course with these characteristics when it deals with manpower problems: Each problem is addressed on an ad hoc basis with no reference to broad policy or earlier actions to meet similar needs. Often groups receiving manpower service are served by several state agencies with no or little coordination among them. Because several independent state agencies may provide similar programs to a group, conflict and inefficiency in assisting individuals do occur.

I feel that to bring consistency to state manpower administration and to set overall manpower policy, the governor of Wisconsin must be involved. Governor Knowles must determine the way Wisconsin responds to the challenge of New Federalism. I think he is the individual to guide state agencies and insist that they work together to meet manpower needs.

What vehicles have been developed in our state for executive formation of state manpower policy? Governor Knowles could have chosen to establish and direct state manpower policy from his executive office. He could have used the state's Comprehensive Area Manpower Planning System (CAMPS) as a vehicle to carry out state manpower policy established by his office. A definite weakness, however, exists in using CAMPS to formulate state manpower policy. CAMPS generally is composed of second- or third-line administrative staff who do not have the final decision-making responsibility for the agency which they represent. Alternatively, the governor could have directed specific state agencies to work together on an ad hoc basis to develop policies in manpower. This might have occurred once he had decided what manpower areas were critical to address.

However, Governor Knowles felt that there is a more suitable vehicle for doing both the essential jobs of developing manpower policies and overseeing their implementation. This vehicle is a governor's cabinet composed of heads of state agencies and systems responsible for administering state and federal manpower programs. The cabinet idea has served our state well in meeting a variety of traditional state responsibilities. To meet the challenge of New Federalism, the governor established a Manpower Cabinet—the Manpower Council. Until the Manpower Council was established in the fall of 1969, I had to deal alone with many manpower problems relating to vocational and technical education. Through this Council, Governor Knowles has given me and the secretaries and directors of seven other state agencies the opportunity to work as a team. We can together set a broad policy framework and take action on manpower. One direct result of this cooperation is the opportunity to help the state vocational and technical system do an even better job than it is now doing.

The Manpower Council has definite roles and responsibilities. It has three responsibilities in carrying out its role of advising the governor on state manpower policies: first, to guide the development of state policies to meet priority manpower needs; second, to communicate these needs and policies to the governor, the legislature, the federal government, and Wisconsin citizens; and third, to advocate courses of action and priority needs especially to the federal government but also to the state legislature.

The Council has been defining the limits of its responsibilities in setting its direction in order to guide and communicate manpower policy formulation. In line with this commitment the Council has defined the term *manpower* for use in Wisconsin. It has developed an inventory of federal- and state-funded manpower programs in our state. It has agreed to write a program memorandum to explain to the governor, the legislature, and to each council member, current and proposed manpower programs and the priority they are designed to meet. It is working on defining priorities to be met in manpower. It has decided to develop uniform statewide definitions and terms used in manpower. It has agreed to emphasize the public service careers program in hiring new state employes. Finally, it has requested the Department of Health and Social Services to develop an application for an MDTA grant to train health paraprofessionals through their institutions.

An essential element of the Council's responsibility is to advocate policies and courses of action. Within state government the program memorandum will be one vehicle to be used. The principal focus of advocacy, however, will be the federal government. The following points will probably be made to federal policy-makers.

1. The Nixon Administration's manpower bill requests each state to select a principal administering agency for federal manpower programs. The Manpower Council will have this function in Wisconsin.

2. Wisconsin can do a better job of meeting manpower needs with far fewer regulations in carrying out federal programs.

3. Eventually the Manpower Council will provide the state with the effectiveness to use responsibly federal block grants for manpower purposes.

In conclusion, let me briefly comment on the cooperation which exists in Wisconsin presently between agencies concerned in manpower training. More than ten years ago and before the requirement existed in federal guidelines, a liaison committee was established to coordinate relationships between the Wisconsin State Employment Service and the vocational and technical education system. When I have attended meetings of state directors, I have been surprised to learn of the lack of cooperation which exists in many states between vocational education and the Employment Service.

We have also developed a close working relationship between the secondary vocational education programs supervised by the State Department of Public Instruction in the public high schools of the state and the post-secondary programs administered in the technical institutes and technical colleges of our state. Close cooperation exists between the vocational education system and the Department of Local Affairs. The existing agreements and past cooperation will be greatly strengthened as the result of the coordinating influence of the State Manpower Council already referred to.

Our state has a long history of coordination and cooperation which is being enhanced through the use of methods which will enable us to do an even better job of manpower training and education.

F. J. WALSH
WISCONSIN STATE EMPLOYMENT SERVICE

We can foresee certain problem areas as the proposed legislation now stands, but these may change in the final draft. I will mention some of them, but mainly I want to talk about what we and the vocational educational people have accomplished as a basis for handling problems that may arise in the future.

There seems to be some feeling that the vocational education system and the Employment Service are two entirely different breeds of animals serving a very different clientele. Historically this is not true, and currently this is not so except that the Employment Service is charged with devoting an increasing amount of its resources to serving that segment of our population termed "disadvantaged."

In recent years, especially since the passage of the Manpower Development and Training Act, Employment Service priority has been given to the expansion of remedial education and training for those who are not competitive in the labor market. We still work with middle-class job-ready people, but half of our efforts in Wisconsin are devoted to helping people sharpen their latent talents, enrolling them in classes to teach them marketable skills and attempting to turn them into tax-paying citizens with the dignity that comes with making their own way. The idea is to "help them help themselves" by channeling them into the guidance and training necessary to lift them from their present level of dependence to the higher level of independence.

In this endeavor, we have been helped immeasurably by our vocational education system which is one of the best equipped and most comprehensive in the nation. In meeting the needs of special groups, both the Employment Service and vocational education operations have changed in the past several years. The Employment Service has expanded its efforts to screen into the labor market those who have been in the backwaters of our economy, and the vocational system has expanded its curricula to help meet the educational and training needs of these people.

Since 1962 through June of last year, over 23,000 persons have been enrolled in Manpower Development and Training Act (MDTA) programs in Wisconsin, and 75 percent of these programs were conducted by public educational institutions. The other 25 percent comprise persons who were channeled into

on-the-job training. Of the 4,000 persons enrolled in MDTA programs last year, 65 percent were disadvantaged, 39 percent were nonwhite, and 62 percent completed their courses.

Problems are encountered in any relationship. Divergencies of opinion exist and this will continue to be so. But, I feel we have made a great deal of progress through on-going discussions that have helped us both work as links in a chain rather than as isolated agencies.

One of our mutual problems concerns the educational readiness, or rather the lack of it, exhibited by disadvantaged persons for occupational training. Many occupational training courses demand a certain background on which the student can build, and most disadvantaged people do not have this background. We, in the Employment Service, work with an individual to plan a specific course of action to give him what he needs, including basic world-of-work orientation in which he may have to learn a simple thing like punching a time clock or taking a bus. We build our orientation around an assessment of his needs.

We do not, however, have facilities to provide him with occupational training, and therefore we channel the disadvantaged person into institutional or on-the-job situations. Concerning institutional training, we believe that "students" rather than "courses" should be taught. We believe the vocational education system does not allow for this at the present time, but there is a *gap* and it will have to be filled. We note that there is a trend to transform vocational schools into community colleges, and at the same time to expand vocational training at the high school level. Our concern centers around the fact that it will take high schools a comparatively long time to gear up for substantial training, and we can't afford to lose vocational school training in the meantime. We believe it should not be necessary to go outside the vocational education system to any great extent to provide the training needed. We do not see wholesale use of private training schools in Wisconsin as might be the case in some other states.

Another problem we encounter is the attitude in some places that provisions for remedial training for certain groups should go only as far as federal money reaches. This is the other side of the coin from our experience with the Vocational School in Rice Lake, for example, which extends the curriculum as far as possible to provide training to anyone who comes to the school. Other schools are also accommodating, but, as I said before, we recognize that divergent philosophies exist in the same system, and we are working together to solve the problems where we find them.

One current problem that bears on the discussion of the proposed manpower legislation is that under the present arrangement between various agencies, a program gets started and goes on in spite of possible overtraining or the emergence of more critical training needs in another field. Local boards are con-

servative. Advisory committees tend to perpetuate themselves and lose focus on the industries they represent. Money has been spent for equipment and teachers, and no one appears to have the authority to shift the endeavor because no one agency has operational control.

There is a lack of realistic methods of evaluating on-going manpower programs to determine how we are doing and if the training is useful. We find we are limited in projecting occupational needs because employers find it difficult to estimate their needs five to ten years ahead, due to many variables. We realize that schools look to us to furnish this information, and it is hard to come by and is not always accurate. For example, in the early 1960s we predicted dire effects from automation, but the disaster we feared did not occur because other variables absorbed displacements.

We think, however, that the arrangement under the Manpower Training Act, which implies that the Employment Service would have operational control, could be more responsive to training needs while recognizing that this may be more disruptive to training institutions. Personally, I think that Wisconsin's Manpower Council can help create a more responsive system in the form of an authoritative group that would include educators, industry, labor, and federally-funded manpower agencies.

It is hard to predict what problems may arise from any proposed legislation until we see it in its final form. But, based on our experience with Wisconsin's vocational education people, prospects for coordination of training relations are very good. We have had increasingly good relations at state and local levels since the passage of MDTA in 1962, and we see it continuing.

An example of this is the vocational education and Employment Service liaison committee which identifies and provides the educational system with occupational and labor market information and trends to help plan relevant courses. This liaison has also resulted in cooperation on the local level in the use of mutual facilities and sitting on planning groups together. Stan Spencer of the Employment Service and Lauran Celly of the State Board of Vocational Education are co-chairmen of the committee.

Ed Kehl, Assistant Administrator of the Employment Service, is our representative on the State Advisory Council for Vocational Education, and another coordinating factor is the State Manpower Council in which both the vocational education system and the Employment Service are represented. We also have daily contact with Merle Bodine who is the MDTA coordinator for vocational education in Wisconsin.

Under MDTA we have a partnership. The Employment Service asks vocational education to set up programs to meet the needs of disadvantaged persons, and they take it from there in deciding what facilities to use, who should teach the courses, and so forth. Under the proposed Administration legisla-

tion, this power would presumably be placed in the hands of the Employment Service. This could be a problem initially at local levels in that it would place Employment Service personnel in the position of making educational and training decisions for which they may not be qualified.

We believe, however, that the State Manpower Council could establish policies to avoid these pitfalls and insure that those decisions had input from educators at the local level. Our position, in general, would be to push for training at various levels, to extend downward to accommodate those who need basic education, and to provide levels through which they could pass and build upon.

We must also examine the validity of occupational barriers which exist and which arise from registration and licensing requirements. These barriers serve to "fence in" jobs and fence people out, and are pretty much outdated. Frankly, we find this in our own Civil Service system with examinations which too often have little or nothing to do with the job to be performed.

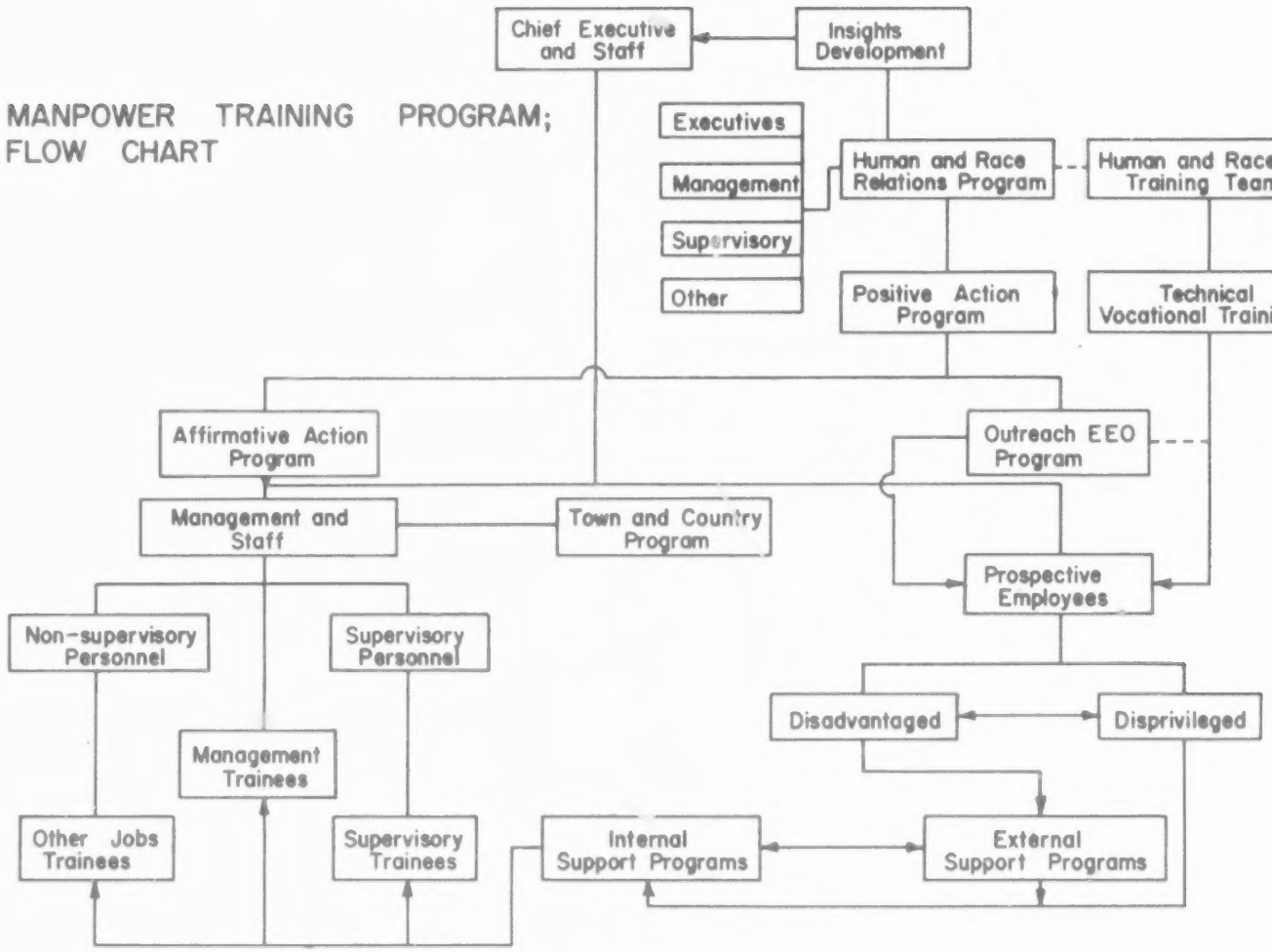
As a help to everyone involved, I would like to mention that we are setting up a Job Bank in Milwaukee using a computer. As we develop this capability of transmitting information rapidly and expand it throughout the state, it may be beneficial to install terminals in training facilities to give information about jobs as a guide to needs, a source of information to graduates, and a help to instructors in relating this information to students to enrich their training.

Finally, whatever bill is passed, we believe it to be extremely important that training facilities and slotting be so flexible that a disadvantaged person who needs and wants training now will not have to be told to come back in three or four months. All the rhetoric in the world will not dispel the dangerous credibility gap that immediately appears when a needy person is told his institutions cannot serve him when he needs them most.

SYDNEY FORBES
WISCONSIN POWER AND LIGHT COMPANY

The flow chart submitted here is offered for your study and exploration for adaptation in the implementation of state and local level comprehensive manpower training programs. It focuses on two basic problem areas: the need for more personalized training of black disadvantaged for employment career opportunities, and the need for more effective linkage between manpower training activities and industry. While the only manpower training resource indicated is technical and vocational, it is conceivable that the chart could be modified to have application to other manpower training organizations.

MANPOWER TRAINING PROGRAM;
FLOW CHART



The justification for this approach must first be made in observations on the current case of the black disadvantaged in terms of the nature of his problems and some aspects of majority-minority attitudes as they exist today. Let me come to the point, then, in drawing from black rhetoric some of the roots of the realities relating to the complexity of the problems in the Negro culture in present-day America.

Historically, the absence of meaningful civil rights legislation against discrimination was thought to be the single most important deterrent to the economic and social progress of Black America. But in recent years we have come to learn that progress for all minorities (particularly black) requires more than legislation. It requires our immediate and direct corrective action in employment, education, and housing. All of these are inseparable from human rights.

Donald Slaiman, member of the Executive Committee of the Leadership Conference on Civil Rights and the Advisory Committee to the Urban League's Labor Education Advancement Program, put his finger on the real pulse of the matter. In reporting to the 1968 U. S. Department of Labor seminar on Manpower Policy and Program, he commented on the persistence of the economic gap between blacks and whites. To paraphrase his observations, discrimination and segregation were being erased at a very slow rate from 1939 to 1954, when the Supreme Court decision on school desegregation was handed down. During that period the economic gap between minorities and the rest of the people was closing at a rate of about 1 percent a year.[1]

Most observers, it seemed, assumed that any acceleration of the removal of segregation and discrimination would also step up the rate of the narrowing of the economic gap. Thus, when the 1954 Supreme Court decision on school desegregation was handed down, the country as a whole and minorities in particular enjoyed expectations of greater opportunities for everyone. Even though the civil rights revolution has continued to make gains, the economic gap has widened. It is this frustration of hope which is at the very heart of today's dilemmas in the civil rights movement and the urban crisis.

A closer examination of the needs of youth in our urban ghettos reveals the true nature of the depth of our problems. We must recognize that we cannot talk of creating job opportunities with any degree of success without equal emphasis on training and educational opportunities. Neither can we talk of training and education without stressing high quality education and high quality training. Slum housing and the absence of or, at best, poor facilities for training continue to be the precipitants of dulled initiative, bitterness, frustration, and lack of motivation for Negro youth.

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[1] U. S. Department of Labor, *Civil Rights in the Urban Crisis*, p. 5.

Prolonged absence of these basic needs which are central to each individual's right to economic opportunity is taking its devastating toll on hard core youth in urban areas. It was indeed, with deep concern, that the National Association for Community Development noted, "The increasing pool of hard core unemployed and sub-employed may, in specific groups, particularly the young people in urban centers, reach 30 percent of the work force."

To quickly backdrop this observation, one doesn't have to dig too deeply into the major factors which contributed heavily to today's urban crisis.

The dramatic transformation of the Negro from a rural to an urban resident took place in an almost unbelievably short space of time. Shortly after the turn of the century, the great majority (73 percent) of Negroes were rural residents on farms or in rural towns and cities of 2, 500 people or less.

Some 50 years later survey figures indicate a complete reversal of the situation. Seventy-three percent of all Negroes were living in urban areas in 1960, and their concentration in central city areas was taking place very rapidly. In the 20-year period, 1920 to 1940, Negro population in central city areas rose by 83 percent and rocketed by a further increase of 123 percent during the succeeding 20 years to 1960. The number is still growing. During the decade of the sixties, Negro immigration to central cities increased by some two million, about twice the rate of white exodus, and fully one-third of all Negroes were living in 24 of our nation's largest cities.

Thus, the overcrowded conditions, dilapidated and overworked facilities, continue to contribute to the frustrations of the urban crisis. And when coupled with the history the discriminatory practices which brought about social and physical denials and emotional barriers, one can readily grasp some sense of the severity of urban crisis problems and poverty.

These are the environmental factors which have shaped the minds and attitudes of the disadvantaged. These are the factors to which we must address ourselves if we are to devise better methods to deal with them and to develop more intensive personalized problem-solving approaches. It seems to me that these functions can go on simultaneously with skill and other job-oriented training programs which have already shown that they are flexible enough for adaptation in this direction. The real need at this point, as I see it, is for the introduction of skilled race and human relations resource training teams, in both industry and the manpower training units. This, together with continuous liaison between industry and manpower training organizations, could be a key step in mounting a meaningful attack on the problem of recapturing the human resources for career opportunity development. To do this would be to begin at the beginning, that is, to involve people whose primary concerns are with urban problems and the human relations of day-to-day living and human relations in industry.

It would be foolhardy to assume that the problems can be dealt with through simple programs. Our history of manpower development training programs has not yielded, to any great degree, measurable progress in the three principles upon which manpower legislation was founded initially: full employment, economic growth, and economic opportunity for everyone who can and is willing to work.

To put it another way, we have not yet discovered or designed a practice to productively train and employ people who, because of our society's discriminatory practices, are now in dire need of additional attention to take full advantage of the skills, training, and education which we offer in our programs. This special attention might well be in terms of an attempt to recover the whole man: cultural recognition, cultural understandings through multicultural training teams, survival counseling both on and off the job. These kinds of activities, together with a true demonstration of equal employment opportunities and equal opportunities in employment, once employed, would make for our ability to meet the task. And, it is in the context of this latter point where industry's soundness of intent may meet its acid test.

The flow chart referred to earlier suggests the recruitment of multicultural human and race relations training teams in large industry and other organizations, and counterpart floating teams in constant liaison with, but independent of, industry and other organizations and supported by MDTA grants funds.

In the case of small or medium-sized firms which cannot afford staff complements of this type, the floating teams would be available to assist them in the implementation of programs in consort with a qualified and designated staff member of the firm. The broad objectives of such teams would be to (1) yield more truly developed and effectively prepared existing staff and employees in terms of their acceptance of and ability to interact with other cultural groups, and (2) introduce to the work force and staff of the organization a better qualified and better prepared potential-career-seeking human resource product of manpower training activities.

The industrial component of the training resource would take the responsibility for developing a positive action program embracing these key elements:

An *insights development program* for the chief executive and corporation officers for the formation of employment policy to successfully bring down a positive employment action program comprised of two parts:

(1) An affirmative action program of awareness and experiential learning exercises designed for 100 percent implementation penetration to existing staff and employees. Program inputs and frequency at the suggested levels of responsibilities would be by design in accordance with needs determined by the human resources development team. It should be noted that a true affirmative

action program, as a management technique and commitment should be applied as company policy with written procedures and established communications provisions. This would enable the key staff to monitor progress among all persons involved in achieving the company's goals of equal employment opportunities and equal opportunities in career employment for the disadvantaged.

(2) The equal employment opportunities outreach part of the program should be geared to seek out the disadvantaged through every possible access to their location—schools, community organizations, Employment Services, and organizations of and/or for the minority groups.

It is imperative at this point to make an important distinction among the prospective employee or trainee yield from the outreach program efforts. This distinction is one of disadvantaged as against disprivileged in the context of skills or professional abilities achievements. Briefly, many minority persons who have skills or professional training have suffered social, economic, and career opportunity denials which are the contributing factors to today's economic gap. Because of these denials, such an individual is more often than not unable to obtain proper or quality education, facilities, and housing for his dependents. Neither is he able to remove them from the detriments of the ghetto environment. The result all too often is that his children are recycled into a truly disadvantaged position—lack of education or training or motivation. If such a person has five dependents, then the real disaster is that the problem may be compounded by the factor five. These disprivileged persons should be sought out with no less zeal than other members of the disadvantaged group.

External and internal (company) *support training programs* are suggested to accommodate all types of training programs with course content requirements specified by the particular industry or training teams. It should be expected that there will be some vacillation between the two types of programs. For example, for a disadvantaged person with no skills, external support programming may be necessary periodically during remedial training periods or the progressive acquisition of new skills or for survival counseling. Similarly, a disprivileged person may be expected to fulfill his job function but may need updating of skills or other abilities through external training before he becomes fully productive and career-oriented through internal support programs.

The activity of the "feed in" or career opportunity stream (lower left on the chart) will reflect industry's will to meet the challenge to place qualified persons in various types of career positions. Their progress, based on their merit and abilities, will depend in large measure on the thoroughness of the company's affirmative action program. The goals are clear: expanding job responsibilities and vertical mobility within the firm, based on merit after proper developmental training.

Some applications of this program flow chart can be demonstrated quite simply using the vocational-technical training resource indicated in the model. With a skilled multicultural training team as part of its staff complement, or readily available as part of the comprehensive manpower training funding, the company would be in a very advantageous position to meet and solve several employment problems which currently plague both the disadvantaged and industry.

Keeping in mind the problems beyond skill and education training which the disadvantaged face, the school would be equipped now to maintain more direct and effective contact with the minority group communities and in terms of access, communications, and understanding the hopes, aspirations, and frustrations of the people who now harbor feelings of bitterness and lack of trust. They could enhance considerably the outreach function because of identity and deeper trust with the group and more quickly discern and sort, for course content or curriculum and certain personal needs: (1) basic education; (2) prevocational training; (3) work experience training; or (4) required residential facilities and allowances or other public support and subsidy relating to health care, and so on. Also, this kind of team could assist greatly in the resolution of the priority of needs, operational policy, planning, and budgeting to fulfill its manpower program commitment.

For example, because of its liaison function with its industry counterpart team, industry's manpower forecast from one to several years hence could be met with greater assurance of delivery and with more realistic selection and placing of candidates for employment training. The function would also put the school in a better position to engage in long-range budgeting and fuller use of its facilities as against its current practice of semester-to-semester budgeting. At best, the present system suffers severely from uncertainties of budget, timing, and lack of prearranged job take-up for trainees.

On the questions of work experience and survival counseling, which are perhaps the most serious reasons for minority frustration, lack of interest, and chronic unemployment, the role of the training teams could effect a higher retention level for employers. This is all to the economic advantage of industry in meeting its social and economic obligation to its communities. But, apart from this, it seems to me that with every success in retention, we increase the force for change and reduce the ranks of those who doubt that the challenge can be met.

RUPERT N. EVANS
UNIVERSITY OF ILLINOIS

My remarks are going to sound a bit disconnected because I will try to avoid some of the topics which have been covered thoroughly by the panel members who have preceded me.

1. Like Sar Levitan, I believe in distributing my arrows withour fear or favor. Let me suggest to you that the next time a vocational educator says to you, "I don't believe in dual school systems," engage him a little bit further in conversation. Vocational education in Wisconsin has divorced itself from the dual school system which it had for many, many years. But in the rest of the country, in state after state, you will find vocational educators deliberately setting up educational systems which, in my opinion, deserve to be called "dual." When they say, "We don't like a dual educational system," what they mean is, "We don't like a dual educational system of which we aren't running half."

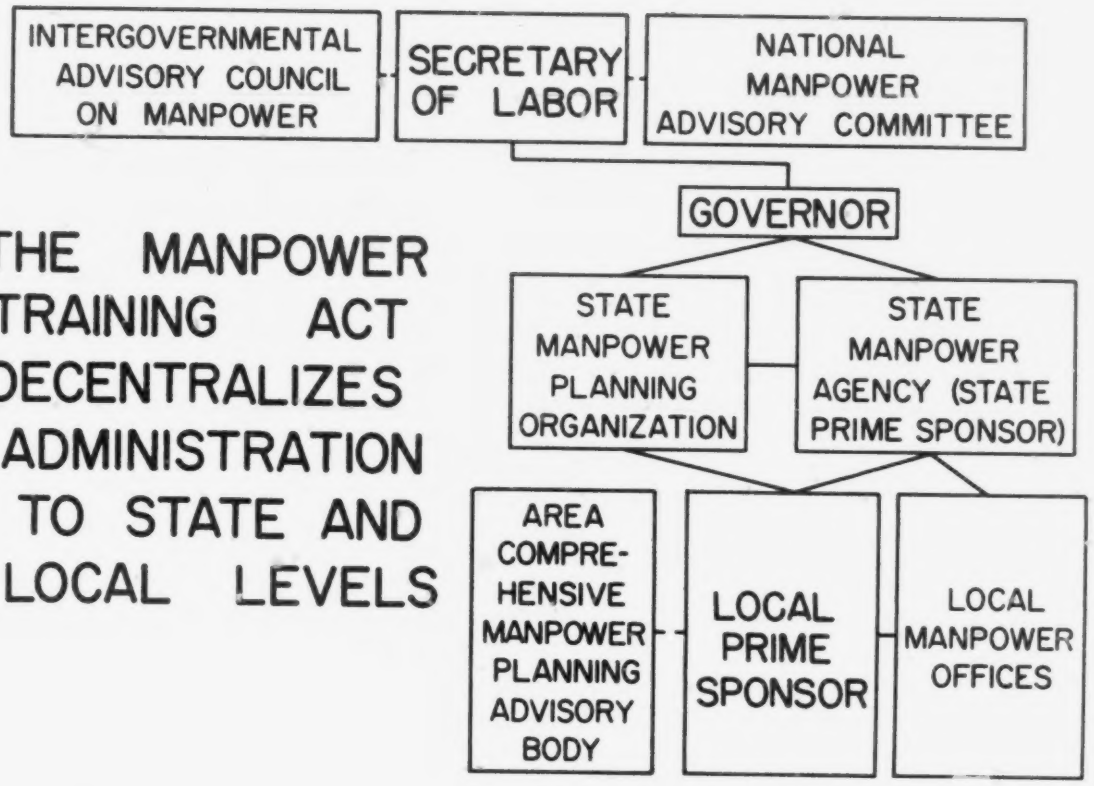
2. Let me turn now to a suggestion on minimizing criticism of an educational establishment. We mentioned earlier that figures are important. I have seen a beautiful technique for minimizing the apparent dropout rate in a training program. Suppose you have a training program which is 40 weeks or 52 weeks in length. You divide this into six or ten segments. Then if a trainee completes the first of these segments, he is a graduate. And if he does not go on to the second of the segments, he is not a dropout. By dividing your program this way you can make it appear as if you have no dropouts at all and as if you have a fantastic number of graduates.

3. I would like to refer to what somebody at the break called the "comic book"—the series of charts that has been distributed to you. At your leisure I urge you to look at the chart entitled "The Manpower Training Act Decentralizes Administration Through State and Local Levels." Essentially it is an organization chart which helps me a great deal to understand what really is proposed.

I had hoped that we could have, as part of the new Manpower Act, coordination at the federal executive level. That went down the drain because the people within the various branches of the executive just couldn't get together. So the net effect at the federal executive level is the status quo.

Then I thought, "Well, there are some people in Congress who are saying that it would be a good idea to coordinate some of these manpower programs." So I suggested to some of the congressional aides that it might be desirable to combine some of the congressional committees that have to do with vocational education and manpower programs so that they could look at some of these problems as a unit. "Oh," I was told, "We never in the world could

THE MANPOWER TRAINING ACT DECENTRALIZES ADMINISTRATION TO STATE AND LOCAL LEVELS



Sourse: The Manpower Training Act 1969, U.S.D.L. Manpower Administration, October, 1969.

accomplish this. Committee prerogatives are so strong that there is just no way in the world of coordinating at that level."

I still had some hope we could effect some coordination at the state level through federal statutes. But in the organization chart in the comic book, there is a beautiful arrangement. It starts off at the top with the Secretary of Labor, and then there is a direct line down to the governor. But then somehow things get divided. Off to one side, reporting to the governor, is the state manpower planning organization. Off to the other side reporting to the governor is the state manpower agency, which in parenthesis is called the state prime sponsor. There is a line linking those two. Just how you make an organization like this work, I don't know. But that isn't the worst of it.

Continue on down the organization chart to the local level. The way I read the Administration bill, the local manpower offices had something to do with what the prime sponsor was doing. The prime sponsor was going to pull together all of these services. But if you look at this organization chart, you find that, no, they report to the state manpower agency. The local prime sponsor has to report to two groups above him. And then sitting off to the side of the dotted line (which I'm sure means some sort of advisory relationship) is the area comprehensive manpower planning advisory body, which is advisory to the local prime sponsor, but apparently not to the local manpower offices. The way I read this chart is that the local prime sponsor is going to coordinate the training activities. But all of the supporting activities (Employment Service, Bureau of Apprenticeship, etc.) are to be included in the local manpower offices which have no line relationship to the local prime sponsor. If I'm wrong in reading this organization chart, I would appreciate being corrected.

So it seems to me that the proposal adds up to coordination not at the executive level in the federal government and not at the legislative level in the federal government. It does suggest a bit of coordination at the state level and a bit of coordination at the local level, but there would be a lot more coordination in training than in supportive services. I have no objection to the coordination of training, for I hope that we can do a great deal more of it. I hope that the statement made this morning that the vocational education establishment is bucking a manpower training act is not true. The people I know are not bucking it. It surely would make sense, however, to have coordination of policy-making and of supportive services, as well as of training.

4. Much of the discussion about the difference between preventive and remedial manpower programs is hogwash. To a very real extent, vocational education is both a preventive and a remedial program. It is remedial for many students whose lack of education may have grown out of deficiencies in early childhood education. And even early childhood education, which is designed for kids two, three, four years old, is essentially a combination of preventive and remedial programs. It is remedial because it is in many cases designed for children who did not have an opportunity at home or in their community to

learn the sorts of things learned by children from other backgrounds. So even at that low age level, one of the most important programs that we can have in this nation is a combination of preventive and remedial education. As you go up the age range, the current Manpower Development and Training programs that I have seen are themselves a combination of preventive and remedial education. They're preventive in terms of preventing future dislocation of that employee if he runs across changes in economic or technological conditions. All I'm saying is that there is a close relationship between remedial and preventive goals, and while there may be a heavier stress on preventive than on remedial in one program than in another, both goals are present in every educational program.

There is a very comprehensive study (Project TALENT) which asked a 5 percent sample of all high school freshmen, "What kind of a high school curriculum do you want?" Half of them said, "I want a vocational education curriculum," and half of them said, "I want a college prep curriculum." The half that wanted the college prep curriculum got it. But only half of those who wanted the vocational education curriculum got it, simply because there were not enough training slots available. So the upshot of it is that we had 50 percent who wanted and got the college prep curriculum. There were very few dropouts from that group. The general curriculum, which is a mishmash, got a quarter of the high school students, and from that quarter came 66 percent of our high school dropouts. Let me repeat that 66 percent of high school dropouts come from a general curriculum which enrolls 25 percent of the students. It appears that this 25 percent of the students are the ones who wanted vocational education and couldn't get it because there were not enough secondary school vocational education slots in which to put them.

Now you can't very well run a preventive program when you don't have an opportunity to do your prevention. For the kids who wanted the vocational education program and didn't get it, the dropout rate is extremely high—far, far higher than it is in the vocational curriculum. So the prevention didn't have a chance to occur.

5. Suggested improvements: Some of us have been engaged in a study of skill centers around the country and most recently have looked at the East Los Angeles skill center. We found a very strong working relationship between the educational program and the service centers there which work extremely well because they combine all supportive services.

By and large, the instruction provided in these skill centers that we've looked at so far is good. But the big thing that seems to be missing in all except one that we have seen is that the people who are providing the instruction in the skill center are not getting feedback from the placement of the trainees. We have long known that feedback from placement is one of the best corrective measures that you can have in vocational education. But in skill center after skill center, and in vocational program after vocational program, you'll find

placement occurring without the feedback from placement going back to the teachers. The teacher must have this information so that he can take corrective action where he has provided poor instruction, inadequate instruction, or even superfluous instruction. We simply have to get plans worked out to get this feedback from placement into the instructional program.

Another interesting fact came out of this most recent skill center study. Unlike some, they happened to have all of their projects ending on the same day. They had 35 instructors whose contracts ended on the first of November. All 35 were laid off. On November 24 the school was told they could start hiring again because they now had some contracts. By the time they could contact the 35 instructors they had let go, 34 of them had jobs and would not come back. So they lost 34 out of 35 instructors. This procedure is justified as a means of preventing teachers from securing tenure, but a loss of this high a proportion of capable teachers suggests that we need to find a new cure for the disease.

6. Now my final comment: Sar Levitan said that in a sense we are holding a wake over the Manpower Training Act. Maybe we are. But as sure as we're sitting here, we are going to have something like the Manpower Training Act. I hope we have one that coordinates a little bit better at the legislative, executive, and state levels. In the meantime, I urge you to take a close look at some of the developments in a number of the states around this country where the governor is proceeding with coordination with or without federal direction. There are some extremely interesting things occurring, and it may be that we will find out that the New Federalism works better with the states taking the incentive for action until a third to a half of the states have acted. Then we will try to write some sort of federal legislation that has something to say to the rest of the states. Unfortunately, if the past is a guide, the new legislation will penalize most of the states which already have acted. Perhaps someone can change "maintenance of effort" clauses into bonuses for intelligent uncoerced action.

SECTION 4

Harold W. Watts, Chairman

ABSOLUTE POVERTY, RELATIVE POVERTY, AND THE TASK OF MANPOWER TRAINING PROGRAMS

MICHAEL C. BARTH
OFFICE OF ECONOMIC OPPORTUNITY

Is poverty an absolute state, as traditionally defined by the federal government, or is it, as many sociologists and economists, the author included, contend, a relative condition? The answer to this question bears a direct relationship to the type and goals of manpower programs we design as tools to alleviate poverty.

The present discussion is limited to pecuniary poverty. Nonpecuniary poverty—that is, a state of mind, a culture, a feeling of despair—is relevant to the discussion only to the extent that human resource development programs can raise a person's view of himself and his estimate of his ability to provide for himself and others.

In most discussions of poverty, the pecuniary condition is given the most attention: Being poor means lacking sufficient monetary resources. Sufficient resources in relation to what? Under present federal government definitions a person is poor if his income does not exceed poverty guidelines based on the assumption that one-third of a family's budget is spent on food. Thus a sum of one dollar in excess of three times the amount necessary to provide a minimally adequate diet for a given family is regarded as sufficient income for that family to be nonpoor. If family income is less than the poverty line for that family's size, the family is poor. This is an absolute definition of poverty.

Predictions about the future size and composition of the poverty population are based on measurements made according to this absolute definition. Similarly, prescriptions for dealing with the poverty problem are based on those measurements. Although many arguments could be made against this type of definition and its applications, the most pertinent to our purposes is based on the fact that our nation has a secularly rising standard of living; thus the fixed-line concept condemns one group to greater and greater relative deprivation.

A relative definition of poverty, on the other hand, ties the poverty line to an index of general financial well-being and standards of living. For expository purposes, the median family income can be adopted as this index or measure. For example, to select an arbitrary figure, all families with incomes less than 50 percent of the median could be considered poor.

What does this mean in practical terms? Between 1959 and 1968 the median income for an urban family of four increased 57 percent—from $6,355 to $9,948. The poverty lines, established using the absolute definition of poverty and adjusted to reflect increases in the consumer price index, increased only 20 percent during this period, from $2,973 to $3,553, for an urban family of four. Clearly programs designed on the basis of the fixed definition will help the poor, but they increasingly will ignore those who have incomes above the fixed lines but are poor by any relative standards. This is because the fixed poverty line moves upward only as prices increase, while the median income will tend to grow with *productivity* as well as prices. Hence the gap between the median and the fixed line will widen.

It is apparent that our society cannot and will not be satisfied with an ever-widening gap between the poor and the nonpoor. Thus manpower policies must consider the implications of a relative definition of poverty, because policies based on this definition imply a greater necessity to narrow or compress the lower tail of the income distribution than do policies based on the absolute definition. Obviously some of this compression will result from income redistribution via the tax-transfer system. However it is safe to assume that both the targets of our concern—the poor, present and future—and the nonpoor view remuneration from labor as the principal source of financing life's necessities and perhaps some of its pleasures. Furthermore, this assumption rejects the dire predictions of the "cybernationists" and others and predicts that the overwhelming majority of our population can be and will be usefully employed. (Whether this majority represents 97 percent or 93 percent of the labor force is an important consideration in the short run, but not in the context of this discussion.)

If work is both useful and desirable and if we can assume that it will be pursued by the majority of the population, including a large portion of the poverty population, it follows that some solutions to the poverty problem will attempt to develop human resources. Further, if the development of human resources is to help effect a narrowing of the poverty gap, it follows that manpower programs must be designed so as to compress the skill distribution. Implicit in this line of reasoning is the assumption that the relation between productivity and remuneration is positive and fairly stable. That is, more productive persons (with exceptions noted below) earn more than the less productive and this relation does not vary widely.

Three distributions now have been mentioned: skill, earnings, and income. Of the three the skill distribution is the most difficult to measure; in fact it is

difficult even to conceptualize. It is nearly impossible to determine a worker's versatility, or put differently, how easily his set of talents may be substituted for another's. It is possible to conceive of skill distributions in general terms, however, either in the context of a set of differentiable skills that can be ranked, *or* in terms of a population that can be ranked in versatility. Either set of rankings can be considered a skill distribution

The earnings distribution is a ranking of income earners from lowest to highest earnings and, as noted above, it is assumed that the relationship between the skill and the earnings distributions is positive and relatively stable.

Finally there is the income distribution—a ranking of income recipients—usually made in terms of family units. This income can come from many sources; labor will be only one of these. Past financial investments, transfers via the range of public assistance programs, rent, alimony, and other sources also will yield income. However, undoubtedly labor will continue to be a major source of income; thus the income distribution is affected by the earnings distribution, which in turn is directly affected by the skill distribution. Via this route, manpower and other human resource development programs will affect the income distribution. Our major concern however is with the skill/earnings link.

If this link is inoperative, no manpower program can be effective. For example if a black graduate of a skill center is systematically denied a job for which he is eligible and qualified by all technical criteria, his skill distribution ranking will bear little relation to his ranking on the earnings and income distributions. The skills not only must get to market, but also must be fairly treated.

What has this to do with manpower policies and the absolute versus relative definitions of poverty? Obviously if the relative definition of poverty is used, the task of manpower programs is much more difficult for the task of eliminating relative poverty is far more difficult than the task of eliminating absolute poverty. For example, a man cannot be trained simply to earn $3,600 per year, inflated annually by the rate of inflation. He must be trained so that his *productivity* increases, roughly, with the average. Some would argue that in an economy characterized by rapidly changing technology, specific institutional training will not and cannot do this. Surely this argument must be considered by manpower policy-makers.

This particular example is at the heart of one of the questions vocational educators must answer. It is, however, just one instance of a more general problem. Its usefulness for present purposes is seen if we assume that vocational education succeeds in compressing the skill distribution. The two alternatives for the skill distribution given above—that skills are either differentiable or interchangeable—allows us to avoid the crucial technical question of

how to affect the skill distribution. What is important to this discussion is simply that the distribution *is* affected.

Assume that in some objectively measurable sense, manpower training programs are successful in imparting skills to the unskilled in such a way that skill differentials are indeed narrowed. Assume further that this narrowing is of sufficient degree to satisfy the initial requirements of earnings increase implied by the relative definition of poverty. When the well-trained graduate is searching for a job, he may encounter a number of problems.

First, there may be insufficient aggregate demand. A period of high unemployment is not the best time to graduate from a skill-training program. If the graduate is unable to secure employment, he is harmed economically both now and in the future. The immediate harm is lack of earning opportunity. This has both a monetary and a psychological cost to the ex-trainee. The existence of the hidden unemployed and the relation of a labor reserve to high unemployment has been well documented. The long-term harm results from the work experience and on-the-job training that the trainee misses. Thus not only are his newly acquired skills unused, they also are allowed to depreciate. Certainly such a situation is not optimal if we are attempting to insure a steady increase in the worker's productivity. Thus, once again the plea is made for high levels of employment.

A second problem the job seeker can face is discrimination. This may affect him initially by decreasing the probability that he will be hired. Or it may affect him later in his working life by impeding his advancement. In either case the training provided by a manpower program may not be fully used. Training will thus not be able to contribute to the degree of advancement of the worker required if we are to alleviate relative poverty.

These are serious problems. But they are problems that cannot be solved by the manpower training program itself. This is indeed a serious situation.

We set up programs to train people, target a portion of them at the disadvantaged—and then let the graduates loose in an economy which may not be very receptive to their skills. Demand may be deficient. Private (and some public) employers may use discriminatory hiring practices. Internal labor market structures may inhibit upward mobility. Benefit/cost ratios obviously will be low under such circumstances.

The use of a relative concept of poverty thus has tended to highlight and emphasize an inherent problem regarding manpower training programs which are aimed at the disadvantaged. Use of the relative concept—which many view as a socially more desirable way to view poverty—demands more of manpower training than does the use of the absolute definition of poverty. Some well-known problems in the labor market also tend to diminish the effectiveness of manpower policy in dealing with the disadvantaged. These problems are thus

even *more* serious if we attempt to achieve the more ambitious goals implied by the relative definition of poverty.

The purpose served by all this is to put into stark perspective some of the limitations of manpower training in the society we live in, *partially*, for reasons quite independent of the training programs themselves. While skill deficiencies of individuals are very real problems, even the most successful training programs will not, cannot, help the disadvantaged if the economy is not receptive to training program graduates.

We live in a society which emphasizes working for a living. Public policy mandates that certain programs emphasize the preparation of the disadvantaged for entry into the labor market. But at the same time the efforts of these programs are frustrated. Perhaps the specialists who design and run manpower training ought to be in the vanguard of the lobby to ensure full employment, equal employment opportunity, and the other sine qua nons of a socially optimal manpower policy.

Assuming—and this is a generous assumption—that training is successful, there is no reason why those who run training programs should have to answer for problems which are characteristic of society as a whole. Low benefit/cost ratios are the result of both the economy which the ex-trainee enters as well as the result of the training he received. Which is more significant is difficult to answer and is well beyond the scope of this discussion.

Can some insights be drawn from the foregoing? First, certain of the causes of deficiencies of manpower training lie outside the control of manpower trainers. Second, employing a relative definition of poverty causes an extension of the goals of manpower training. The extended goals will be considerably more difficult to achieve. We must recognize that there are limitations on how much can be expected from manpower training in the best of worlds. Can training be perfected so that it allows a worker to adjust to changes in the labor market he will face over his lifetime? Ought we to expect this of training? Should we reallocate some of our resources toward the solution of more general structural and institutional problems in the labor market?

I shall not be so presumptuous as to attempt an answer to these questions. They are questions that must be raised. We ignore them at our peril.

Vocational education is the largest of our institutional training programs. It thus has a great stake in forthrightly confronting these issues. The vocational education system or principle must not be blamed if a technical school graduate cannot find a job because there is low demand for labor. On the other hand, the providers of vocational education must consider changes in their programs that are dictated by the more ambitious assault on poverty implied by the relative definition. What is the optimal relation between training and counseling? What is the optimal flux of institutional and job-related training?

Is the answer to these questions affected by a more ambitious antipoverty effort and if so, how? The questions are not new. I simply urge a re-examination from a somewhat different angle.

Let me conclude with a caveat and a brief recapitulation. First, I do not wish to suggest that we abandon all use of the absolute definition of poverty. It is obviously quite useful as a measure of how far we have come. My point is that we can do better than simply try to bring everyone above a fixed line. We can try to prevent too wide a gulf from developing between the poor and the remainder of the population.

Second, programs must be viewed in terms of explicit goals. Manpower legislation currently in force mandates spending large sums to aid the disadvantaged. We must consider the goals we are attempting to reach. Do we want the low-income person to cross a fixed poverty line? Or do we want to assume the more ambitious goal of increasing his well-being relative to the remainder of the population. Some programmatic changes might follow a potential reorientation of our antipoverty efforts. I urge explicit consideration of the implications for training that will be demanded if the United States eventually adopts a relative definition of poverty as the concept about which policy revolves.

Finally, let me state that we ought to expect much from training, but not too much. A great deal of the criticism of manpower training passes over the world which the ex-trainee enters and directly attacks the deficiences of the training itself. I do not argue that there are no deficiencies that deserve attack. I do argue that the attack is somewhat unfair if it does not put training into a properly wider context; that is, training is but the first stop in the labor market. One must consider the whole market. Moreover, concentrating solely on the deficiencies of training tends to dilute the energies needed to battle the more significant causes of poverty among workers and potential workers. These may well merit greater attention than they have thus far received.

SECTION 5

James L. Stern, Chairman

IMPLICATIONS FOR POLITICAL RESPONSIBILITY AND PUBLIC POLICY

WILLIAM A. STEIGER
CONGRESSMAN FROM WISCONSIN

Recently, I've heard a number of people say we really don't need a manpower bill this congressional session. The Administration, so the argument goes, has a good deal of authority to streamline program guidelines, improve the delivery service of the Employment Service, and encourage more planning and coordination at the state and local level. At times when I think of the problems that we face in trying to arrive at the best legislation, I am almost ready to agree with the skeptics. I think you will concur, however, that failure to tackle the very real problems we now have in the manpower field may well result in more serious problems in the years ahead. Manpower programs have by their very size, broad utilization, and substantial expenditures of public funds achieved strategic significance in our economic as well as social policies. We now look to manpower programs, rightly or wrongly, to solve the problems of poverty, welfare, unemployment, crime, race, to name a few.

The Employment Act of 1946 said: "All Americans able to work and seeking work have the right to useful remunerative, regular and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans to freely exercise this right." This was a statement of congressional and national intent. In the intervening 24 years, we have been trying to put it into practice, with an erratic degree of success.

However, now, in 1970, the Nixon Administration has proposed and the House of Representatives has approved, legislation requiring as a prerequisite for family assistance funds that every person who is able to work be given either training or a job, and, in addition, individuals who are working but earning below the poverty level must register for upgrading or higher degrees of employment. In order to receive family assistance, poor individuals must seek training and work, and the goal of the program is to get people off welfare into self-supporting roles.

The implications for our manpower policy are tremendous and quite frankly, I don't think our present structure is up to the demand.

At the same time, we are demanding that the poor take jobs, we are faced with rising unemployment affecting skilled, middle class workers as well as the last hired, first fired. Prior to the recent economic slowdown we generally congratulated ourselves as a nation at having reached such a low level of unemployment. We proclaimed that our economic and manpower policies were working and the low unemployment rate was proof. As Charles Killingsworth has pointed out, however, we failed to take a number of factors into account: The Vietnam buildup resulted in both a major expansion in the size of the armed forces and the number of blue-collar jobs available. The unemployment figures did not reflect those who had simply given up looking for jobs. The less-educated, the nonwhite, the teenager, the resident of the central core of the big city or the depressed rural area still remain trapped by unemployment.

Now we face a slowdown in the economy and a de-escalation of the Vietnam War with an accompanying cutback in the defense industry. Now the skilled, middle class worker has taken a place in the unemployment compensation line along with the sometime welfare recipient.

All this comes right at a time when there is decreasing willingness to accept unemployment as an inevitable result of economic or social conditions. Taxpayers balk at paying for more welfare. The poor are demanding jobs. The skilled worker, who considered himself secure in the world of work, finds his job threatened and intends to pressure the government for equal assistance in locating and/or providing suitable employment. Training, upgrading, retraining are being demanded. Our manpower system is really being called upon to perform.

There are two other important considerations for manpower programs, both related to education. First, as Hugh Caukins, of the National Advisory Council on Vocational Education, has stated, "The number of men and women who are lifted out of unemployment through the manpower programs is almost exactly matched by the number of young men and women who enter the job market without the skills and preparation necessary to qualify for employment." Second, We have developed a caste system of acceptable work in this country. The plumber or electrician who makes $20,000 a year is somehow second class because he doesn't wear a suit or carry a briefcase. Manpower training has come to be looked upon in some circles as the second-class way to go, if you can't make it in the regular system. Given the very real problems manpower is expected to solve and the very real problems our present system faces, we need, it seems to me, a very substantial redirection of our manpower efforts to date.

This redirection must take two forms: First, we must tailor our programs to meet the needs of the individual—not the project administrator or the job counselor, or the Washington bureaucrat who processes the papers. At the same time, we must develop a mechanism for establishing and implementing a national manpower policy.

Let me address myself to the latter first. Manpower policy and programs cannot stand in isolation to other national policies and programs. Education, the war on poverty, rural and urban renewal, housing, national goals are all affected by and affect manpower programs and policies.

I have touched briefly on the problems of education versus manpower training. To date we have treated one in virtual isolation of the other. In some cases, educators have held to the belief that only education can improve the lot of the individual; training is the key. They have looked with suspicion on manpower efforts which involve training outside of the classroom and have charged that a dual system of education was being developed. On the other hand, manpower experts have often contended that all of the education in the world is useless if there is no job at the end of the process. Furthermore, the manpower enthusiast argues, the education process has failed. Many of those coming through the system aren't trained for anything and can't find a job; thus manpower programs have to do both the education and the placing. Obviously, common sense dictates that education and manpower programs be complementary and not competitive. School and work must be linked, not simply in the normal progression of school to job, but after formal schooling is completed and retraining or upgrading in skills is necessary.

Another aspect of manpower policy which requires national attention is the inevitable cutback, redirection, and even elimination of some industries as national policy, automation, and foreign competition dictates changes. At present, it is widely recognized that there is a severe housing shortage in the country. The service-related industries are short of employees. Health care is crying for qualified personnel. At the same time, our defense industry is being cut back; the space program is being de-emphasized. At the risk of oversimplifying the situation, at present there is no real mechanism for shifting federal expenditures, providing for wide-scale industry retooling, or directing manpower from one area which had priority to another which now demands national attention.

In a related area, imports are threatening domestic industries which employ millions of American workers. A sign of the significance of the impact imports are having can be found in the reversal in attitudes of labor unions over the last few years on the issue of free trade. Traditionally, the majority of organized labor has regarded free trade as one of the workingman's best friends, pointing out that the worker is also a consumer and imports keep prices down, thus helping the worker guard his purchasing power.

Now, writes Frank Porter in the May 10 *Washington Post*, the AFL-CIO has reversed its policy arguing "that the old concepts of free trade and protectionism have been outmoded by the spread of managed national economies that encourage exports and hinder imports as a matter of policy, by the internationalization of technology, the great rise of U.S. investments overseas and the proliferation of multinational companies . . . ." Sentiment has been growing in so many circles that the most serious congressional interest in years has been aroused with regard to import limitations.

Another matter which deserves national attention is the redefinition of jobs and the education and skills needed to handle them, as well as a redirection of national thinking as to what constitutes an acceptable job. Given the social stigma attached to some jobs, companies have been requiring more education, retitling the position, demanding more experienced applicants. For example, secretaries are referred to as executive assistants, garbage collectors as sanitary engineers, maids as household technicians. This is fine, taken at face value. However, while the change in title reflects no real change in the job description, the employer now requires his "executive assistant" to be a college graduate while his former "secretary" served him well with a high school education. The sanitary engineer may now need a high school diploma while the garbage collector needed no such document. Thus, we see while the basic job has not changed, the retitling may have screened more people out of the labor market.

Certainly existing jobs can be broken down or redefined so physically and mentally handicapped individuals can fill them or so individuals with intelligence, but without formal education, can not only fill them but rise according to their abilities. These are just some of the problems which demand national attention, evaluation, and coordination.

Congressman O'Hara's bill provides that the Secretary of Labor is responsible for coordination of pertinent activities of all federal, state, and local public agencies as well as private agencies, and recommends to the President and to Congress shifts in programs and responsibilities. The Administration's bill establishes an intergovernmental advisory council on manpower composed of governors, mayors, and other appropriate elected heads of local government, to advise on federal-state-local relations under the Act. Under my bill, as well as under the Administration's bill, funds are reserved to the Secretary of Labor to fund programs which have national implications.

However, none of the three bills before the Congress comes to grips with the questions of coordination at the federal level and of national overview of manpower-related policies and problems.

There have been a number of suggestions made for addressing some or all of these problems. Among them:

1. Congressman Pucinski, Lowell Burkett, and Howard Matthews have proposed that an independent national manpower advisory council be established. Basically, such a council would be representative of the operating departments and agencies involved in manpower, education, and related fields, as well as the public. It would set national goals, evaluate on-going programs, prepare general guidelines, etc.

2. Walter Helms, appearing before our Committee, proposed creation of a federal commission on manpower, education, and training to establish and monitor the operation of the federal institutes for manpower, education, and training. The federal institutes, relying heavily on automatic data and the information processing technology, would become the national focal point and clearinghouse for the study and dissemination of information concerning federal manpower, education, and training policies and programs; they will develop and provide instructional technology and support personnel and would monitor on-going programs. The commission would provide overall direction to the work of the institutes.

3. Leon Keyserling, quite naturally, feels the Council of Economic Advisers should be the main planner and coordinator.

4. The domestic council, proposed by the Nixon Administration and approved by the House, would have as its broad directives: assessing national needs, collecting information, and developing forecasts for the purpose of defining national goals and objectives. In addition, the council would coordinate the establishment of national priorities for the allocation of available resources and maintain a continuous review and evaluation of the conduct of on-going programs and propose reforms as needed.

While we must decide what form national goal setting should take, we are confronted with an existing set of manpower programs and policies which daily affect the lives of thousands of our citizens. And these day-to-day demands make it imperative that we move with dispatch to improve what we've got.

The rapid development of manpower programs in recent years has generally reflected a healthy period of innovation and progress in the manpower field. But each program was developed to meet an existing need at the particular time. Both authors and administrators felt that their program should be maintained, so when new problems arose the solution was to create a new program rather than revise existing ones. We have now reached a point where program proliferation is interfering with the development of long-range manpower planning, hampering the efforts of state and localities to adapt national programs to the widely differing circumstances within each community, and acting as a barrier to the effective linkage of educational, manpower, health, and other services needed by numerous individuals prior to employment.

Various combinations of federal, state, and local agencies are now entangled in a confusing and frustrating competition to serve the same manpower clientele. The distribution formulas are different. Project-by-project approval of programs remains cumbersome and time consuming. The needy individual is forced to adapt to program requirements rather than having a variety of services packaged to fit his needs. And there is almost a total lack of accountability.

But you know the problems. Our task is to find solutions.

I began my search about two years ago. The ultimate consideration in the structure and administration of manpower programs must be the packaging and delivery of all services needed by the individual. Some of these can be anticipated by the federal government; most of them cannot. We need to ask, "What can federal, state, and local governments and related private agencies each do best?" and "How can we strengthen the capacity of each level of government to perform its role more effectively?" Wary of the performance of state and local governments in the past, every time decision-making power has been shared with states and localities such as in Community Action Programs, Comprehensive Area Manpower Planning Systems, and Concentrated Employment Programs, federal guidelines are omnipresent and often similar programs are launched which bypass these structures completely.

My bill, and the Administration's, attempts to deal with these problems. Let me underline "attempts" because if one thing is clear from the 27 days of hearings we have just completed in the House, none of the bills is of itself the ultimate solution.

I'd like to discuss some of the major provisions and some of the alternatives or changes which have been proposed.

DECATEGORIZATION

During our hearings, Utah's Governor Calvin Rampton and Mitchell Sviridoff of the Ford Foundation discussed the federal guidelines that might be established in a decategorized system. Sviridoff counseled, "The Committee would be well advised to obtain from the Secretary at least a preliminary indication of how he intends to exercise his authority on decategorization and to make its own desires clear in the legislative history of the Act." We should know, he says, what the nature of the Secretary's planning guidelines will be. Will they mandate a wide variety of programs, taking note of the special needs of youth, of present new careerists, of apprentices, of blue-collar workers needing upgrading? Will they permit the latitude necessary for the development of plans relevant to diverse and varied states and localities?

It is this latter question which concerns Governor Rampton. He warns that legislating decategorization won't insure its implementations. He says:

> The 1967 amendments to Title 1-B of the Economic Opportunity Act authorized decategorization of those programs. Yet today, after nearly three years, Title 1-B Programs remain structured essentially the same as prior to the 1967 amendments. Without the cooperation and commitment of federal agencies, decategorization will remain nothing more than a nice phrase . . . . We find ourselves frequently confused between the top level advocacy of decategorizing and decentralizing manpower programs, and the day-to-day decision of the federal bureaucracy.

Both Hugh Caukins, of the National Advisory Council on Vocational Education, and Daniel Kruger, of the School of Labor and Industrial Relations, Michigan State, have suggested that monies presently set aside for manpower services for the socially disadvantaged under the Vocational Education Act amendments of 1968 be included in the Manpower Training Act. "We anticipate," Caukins says, "that the legislation would mandate the use of these presently appropriated funds in approximately the present proportion as between the remedial and the preventive effort."

The scope of all three bills is limited to the consolidation of Manpower Development and Training Act, the manpower programs under the Economic Opportunity Act, and the Employment Service insofar as it is involved in such programs. To be truly comprehensive, several witnesses have suggested, we need to include Work Incentive (WIN) (and eventually Family Assistance (FAP) which will replace it), and other manpower programs administered by the Department of Labor such as Apprenticeship. In addition, vocational education and vocational rehabilitation should have an active role in the formulation and coordination of programs under this legislation. We all recognize that the broader the scope, the more difficulties involved in obtaining congressional approval. It seems essential to me, however, that at the very least legislative history made clear that Family Assistance must be coordinated with comprehensive manpower activities.

DECENTRALIZATION

Jim O'Hara's bill, as you know, would retain the Secretary of Labor's authority to contract for manpower and related services with state and local governments, as well as private agencies, as he sees fit. In all frankness, I do not see how this improves our present system one iota, and I agree with Garth Mangum's assessment that "the current contract negotiating and administering responsibility is beyond federal capability."

In applying the Nixon Administration's New Federalism to ongoing or new programs, the first decision always concerns the proper roles of state and local

governments. There is no pat formula to be applied—that we know. Factors which must be carefully weighed include: the limits of the federal government's capacity to effectively influence day-to-day operations at the state and local level; the ability and desire of state and local governments not only to handle the immediate responsibility in the particular field, but their capacity for improvement as well.

Essentially my bill and the Administration's proposal try to maintain federal direction, control, and evaluation while permitting state and local initiative in planning and organizing of service, enhancing political accountability, enlisting local talent, and improving administrative performance.

Two factors must be emphasized. First, I believe political accountability at both the state and local level is essential. Second, while my bill does not provide for a pass-through to large metropolitan areas, I believe it is a necessity. Striking the balance between the three levels is a precarious task. On the one hand, we need to maintain flexibility. On the other, we must make it clear who has responsibility.

The O'Hara bill I rule out because it is too flexible in determining these relationships. The Administration's bill, on the other hand, sets down a rigid formula which must be adhered to in all 50 states and all Standard Metropolitan Statistical Areas. In my bill, I tried to place the responsibility for state performance squarely with the governor, while establishing a separate planning body. In trying to balance flexibility and responsibility at the local level, however, I could not devise a mechanism to accomplish the same goals. Hoping that some solution would be found during hearings and continued discussion, I decided to defer the question. I find now that I was not alone in my dilemma, and I am convinced that it will not be possible to establish one format to be used at the metropolitan area level.

Returning to the federal-state relationship for a moment, the Committee did hear substantial testimony to the effect that the organization of state government may not always lend itself to the creation of a comprehensive manpower agency. In some states, constitutional changes would have to be made before such an agency could be created; in most the approval of the state legislature would be required. This, it seems to me, will unnecessarily hamper the state's full participation in the manpower field.

On the other hand, as Sviridoff has pointed out, "Some states have already created or are in the process of creating comprehensive manpower agencies that combine the planning and operational functions . . . . These states might not be eligible for their full share of federal funds under the requirements of the proposed MTA."

Governor Rampton says, "I would go further in emphasizing that the individuality of states with their particular target populations, institutional struc-

tures, and legislative and constitutional mandates must be recognized. In that regard, I would suggest reconsideration of the tendency in H.R. 13472 to direct the organizational structure of state government. There are as many viable alternatives as there are states. Decentralizing administrative responsibility to the states while holding them accountable for their performance does not appear to require any particular model for all states to follow."

While the Administration's bill would permit the inclusion of vocational rehabilitation and vocational education in the comprehensive manpower agency, the governor may not wish or may not be able to do so. He may want to provide a coordinating mechanism between manpower and education which could be hindered by the existence of competing agencies. "There is no reason for national uniformity. Effectiveness rather than form is the objective," as Garth Mangum says.

Assuming the Committee could overcome the hurdle of letting the states participate to some degree in planning and operation, the next consideration is how much real authority the states will have. Under the present programs, even when the states play a role in determining priorities within their boundaries, the guidelines are handed down from Washington with little input by the states themselves. Daniel Kruger argues, "If creative federalism is to work, the states must be involved in shaping the policies under which the manpower programs are to be conducted." He recommends the designation of an Associate Manpower Administrator for each state appointed by the governor who acts on the governor's behalf and has a positive initial input into federal policy.

I envision a good degree of flexibility at the state level to develop their own plans and activities. It is my intent, through the federal-state contract executed prior to the development of the state plan and the designations of operating responsibilities, to avoid the restrictive guidelines process by permitting variations in the contract based on the particular situation in each state.

The degree of authority and the amount of funds granted to metropolitan areas is another major point of contention. There are congressmen who oppose the creative federalism concept, yet want the cities to have a good deal of responsibility for their own manpower programs. Others, including myself, don't feel the city can be isolated completely from the rest of the state, but realize that the cities have a large share of the manpower surplus and problems and need to have an important role in determining manpower policies.

The governors suspect the cities and either want full responsibility for city programs or want to designate the local prime sponsor. The cities suspect the states as not being responsive to their needs. They want a direct relationship with the federal government. The suburbs have more and more of the jobs,

but they are leary of the central cities. They want to know if they will come under the city or the state plan.

First of all, let me address myself to the concept of the Standard Metropolitan Statistical Area. Testimony before our Committee has been on the whole negative with regard to using this as an absolute determining factor for the pass-through to metropolitan areas.

In some cases the SMSA is too large. Some states have already developed regional planning units which do not fit the SMSA mold. I originally thought of setting a population limit to insure that only the largest SMSAs,representing the major metropolitan areas, would be covered.

At this point, however, I agree with the Chamber of Commerce assessment that "there does not seem to be any satisfactory uniform solution." We need general standards guaranteeing funds, as well as planning and operating functions, to the largest metropolitan areas, but we need to be flexible on the area and mechanism used to carry out local responsibility.

Solving the geographic problem should be much easier than deciding who shall have ultimate responsibility in the area and how he goes about enlisting the cooperation of surrounding areas.

Under the Administration's bill, it is the intent that the mayor be designated prime sponsor. The mayors agree with this. The governors, however, would like to have a hand in choosing the prime sponsor, and the National Association of counties feels that the county administrative officer is the logical choice.

Stephen Berman, Vice Chairman of the Connecticut Manpower Executives Association, recommended creating a special regional evaluation and selection council to evaluate and choose the prime sponsor. The council would be composed of economists, manpower experts, employers, labor, government, and community spokesmen. It would be appointed by the regional manpower administrator in collaboration with the regional directors of the Office of Economic Opportunity and the Department of Health, Education, and Welfare.

Quite frankly, I lean toward the mayor of the central city. The problem is then how do you get the surrounding jurisdictions to cooperate. Since cooperation cannot really be legislated, money has been suggested as the best carrot. Bonus plans or incentive grants which increase the manpower funds in a particular area may entice the suburbs to work with the central city. It seems to me that the states have a good deal of influence here. If they make funds available to the suburbs without regard to the central cities, then surely efforts at cooperation will be greatly diminished. On the other hand, if the states withhold funds from the suburbs until cooperation is reached, they have a substantial tool at their disposal for furthering better working relationships between

central cities and the surrounding areas. The Secretary of Labor has responsibility here as well. His authority to approve or disapprove all or parts of state plans gives him a significant effect on the cooperative mechanisms within states or between them.

As Mitchell Sviridoff has observed:

> The hostility that frequently breaks to the surface between these elements of our federal system is certainly non-productive and often counter-productive. I am afraid, however, that these tensions will not be easily dissipated in the near future. They are built into the existing political and socioeconomic systems, and no single piece of legislation, even one as important as the pending manpower legislation, will change that situation. This requires great care on the part of those who would decentralize federal programs. Ignoring these tensions will not do; rather legislation must explicitly lay out and protect the powers and responsibilities of both levels of government in hopes of ensuring effective state and local roles and of minimizing conflict between the two.

This is an area where the Committee needs more constructive thinking and recommendations.

PUBLIC SERVICE EMPLOYMENT

One other area where I see major storm clouds rising within our Committee is the question of public service employment. The question is not whether or not, but what scope.

The Committee has certainly received a good deal of testimony in support of the O'Hara proposal. Even the National Association of Manufacturers thought a substantial program was in order.

Perhaps instead of reviewing the generalities on why such a large scale program should be desirable, I will simply pose some of the questions I have with regard to such a proposal.

1. Cost. Hal Sheppard and others have argued that cost should not be a consideration. They say there are socially useful jobs which desperately need doing and the government must come up with the money.

As I see it, every other program that has a constituency fields the same argument when appropriation time comes around. The authorization levels for most of our domestic programs is way over the appropriation level. I just don't see the Congress now or in the near future appropriating $5 billion for a public service employment program. Do we create the program all the same? Hold

out the guarantee of employment which is not there? How can we do this again and be fair to those in need of work?

2. What type of jobs are we talking about? Make-work or career ladder types? From all that I can gather, those who envision a massive program include both types.

As a tool of economic policy, make-work positions seem the most feasible. They can be put into operation relatively quickly. They often involve deferable projects which can be held in abeyance until the economy slows and there is a need to channel workers into them. These would undoubtedly be temporary jobs to tide people over between the end of unemployment compensation benefits and an upturn in the economy when more jobs are opening.

Day-to-day public services such as health care, employment counseling, police and fire protection, do not lend themselves to great flexibility. The positions for the most part require a degree of skill and education. They cannot be turned on and off like a faucet. Public service of this type should be of the highest quality. Certainly, a portion of our unemployed have the ability to accept such positions. So does a sizable portion of our readily employable population. Should we preserve these jobs for the disadvantaged alone? If we preserve even a portion of them, will real career opportunities be provided or will the individual be handicapped by education and degree requirements needed to advance up the ladder?

3. Do we know that the unemployed even want this type of job, particularly those such as health orderly, food service attendant, sewage treatment plant worker? At an Urban Coalition seminar several months ago, it was suggested that these really are the jobs that nobody else wants. They are not usually the jobs of the future, but the jobs most likely to be replaced by automation and new techniques.

4. Assuming $5 billion was allocated by Congress, how would this be used? How much would go for training, transportation, and related services? How much would go for salaries? Certainly, the salaries of health care personnel would be higher than those of street sweeper, but what would be the scale? How long would the program last—indefinitely, or would it be renewable each year at the whim of Congress?

In short, what I am trying to say is that while some public service employment may be desirable as a part of our manpower policy, I don't find that anyone has really thought out the details very carefully. It seems to me imperative that some very detailed planning be done prior to enactment—not after, which has too often been the case with other programs. I would also emphasize that we have not even been able to get our manpower programs and policy working smoothly in the private sector. That is what the Administration's bill and mine are trying to accomplish. Given our past track record, I don't hold a

great deal of hope for getting an effective public service employment program at this time.

TRIGGER MECHANISM

The trigger mechanism to increase expenditures for manpower programs by 10 percent when unemployment reaches 4.5 percent for three consecutive months, while not without precedent, is an innovation in the manpower field. Most of the criticism of it has come from those who say it is not enough. Sar Levitan has proposed raising manpower funds 10 percent for each two-tenths percent increase over the 4.5 percent level.

It has been suggested that the Secretary of Labor be given the authority to increase apportionments to states and localities which experience rates of unemployment above 4.5 percent even if the national average is not at this level.

The Chamber of Commerce points out that the Administration proposal "fails to highlight various groups in our labor force such as minority youths and center-city residents who have been experiencing unemployment rates far in excess of 4.5 percent for years. This is the case," the Chamber emphasized, "even when some overall city unemployment rates are as low as 2 percent."

There are significant implications with regard to the triggering mechanism for the education and training aspects of manpower policy. In periods of rising unemployment in the private sector, there are two basic ways that increased spending could have some immediate effect—job creation in the public sector and upgrading and training through the education process. How fast could the increase find its way into the pipe line? In periods of relatively short-term unemployment, say six months or a year, could the system gear up fast enough to have a significant impact? Could meaningful training be offered? Could qualified personnel be found and hired on a short-term basis? How do we dismantle the system once it is geared up?

EMPLOYMENT SERVICE

I agree with the Labor Department that the Employment Service, as an established institution with substantial funding and staff, should be forced to be a responsive and responsible agency of government. There is little to be gained by bypassing this system entirely, but I seriously question giving the Employment Service the exclusive claim to delivery of services.

The Employment Service has been an effective unit in some areas. In far too many others, it has remained unresponsive to the needs of the disadvantaged. The Labor Department has undertaken a number of projects which, from

preliminary reports, seem to be redirecting the attitudes of the Employment Service, but such a change takes time.

From the client's viewpoint, it seems much more desirable to have the Employment Service compete with other agencies based on ability and competence for the right to deliver services. To deny the mayor the authority to identify competence, reward performance, and punish apathy through the allocation of resources is to withhold the legitimate authority he needs to be fully responsible for providing services in his area.

EDUCATION AND TRAINING

Finally, I would like to say a word about the role of the educational community and vocational education in particular in the total manpower effort and in the legislation pending before the committee. I've already noted that I don't feel we can continue to put money into remedial manpower training while neglecting our preventive vocational education system. So my first suggestion would be that we fund the 1968 Vocational Education Act Amendments and get to work strengthening our vocational education system.

Second, I don't think we should bypass our educational institutions in our remedial manpower programs. This is why I include a provision in my bill to require that wherever possible institutional training be arranged or provided through state education or training agencies. Educators should be included in the planning process at both the state and local level and should participate in the operational phase as well. We've had too much unhealthy competition between labor and education at all levels. It's time to put an end to it.

I cannot agree with those who fear that a dual school system will be created by the passage of comprehensive manpower legislation, but I think the language of the bill and the legislative history should make clear the positive role we expect education to play, not only in the remedial programs covered under the legislation but in the preventive programs as well.

PRESENT STATUS

Right now I'd say there is a 50-50 chance that the House Education and Labor Committee will report out a manpower bill during this Congress. Decentralization and public service employment are so controversial that an agreement may not be possible now. The long and hard debate on occupational health and safety legislation, not yet completed, has left Committee members less eager to tackle a complete revamping of our manpower programs.

The most significant factor, however, is that members of the Committee and the Congress as a whole have simply failed to recognize the tremendous implications Family Assistance has for manpower policy and programs. With all the pious talk about making people get out and work for a living instead of welching off the American taxpayer, few have given any thought at all as to our ability to accomplish this feat. The problems, as I have pointed out, would be staggering enough if only the unemployed were included, or if the work and training requirements were not mandatory in every case where the welfare recipient is eligible, but add to this the requirement that the working poor be served, and it is frightening to contemplate our present manpower structure performing under the load. Too often in Congress we enact one program without the slightest awareness of the effect it will have on other programs.

But the Administration sent Family Assistance, Day Care, and Manpower up in a package to emphasize their interrelation. In acting on Family Assistance, the House Ways and Means Committee, which did not want to share jurisdiction with Education and Labor, simply enacted a massive Day Care program and replaced WIN with the Nixon proposal for Manpower, even though the Education and Labor Committee was working on comprehensive bills in both fields. There is a tendency now to feel that since Family Assistance has passed there is no rush on Manpower or even Day Care in some circles.

If the Employment Service is made the sole deliverer of manpower services under Family Assistance without the structure of the MTA, it will be extremely difficult, if not impossible, to dislodge this authority from either the Employment Service or the Ways and Means Committee. Our efforts to achieve a truly integrated, comprehensive system, might well be squelched.

If the Education and Labor Committee does not act soon, we will pay for our negligence. More important, the individual who needs help will pay, as he has done time and again in the past, because the programs are not thought through or carried out with him in mind.

WARREN ROUDEBUSH
U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

In this final session of our conference it might be well to draw back, for a moment, from the specific lines of inquiry we have been developing, to look at the perspective of "Vocational Education and Training Under a Comprehensive Manpower Policy."

Present everywhere in this perspective is the issue of demand, of jobs to be filled. The essence of remedial manpower programs is to help unemployed and underemployed persons in the acquisition of requisite skills and capabilities for entry and advancement in the labor market. One of the manpower services, job development, aims at locating or assisting in the development of appropriate opportunities. One of the accepted types of manpower programs is on-the-job training. Another is the provision of special work experience.

Availability of jobs in the open labor market is the sine qua non. Even the advocates of subsidized public service employment put their proposals in relatively modest terms relative to the gross totals of unemployed and underemployed persons.

In the light of this month's rise in the unemployment rate to 4.8 percent and last night's newscast of the stock market hitting a seven-year low, it seems to me we should remind ourselves of this perspective. It is almost axiomatic now that when jobs are scarce the remaining available vacancies tend to have higher skill requirements. Among other implications for manpower programs, the situation suggests longer and more sophisticated training and more emphasis on labor market surveys and job locating services.

A second feature in the perspective, I believe, is the fact that the single most important manpower program is the education system. Given my choice of titles for the conference I believe I would not select "Vocational Education and Training Under a Comprehensive Manpower Policy" and would use a slightly different but most significant adaption as follows: "Education and Vocational Training Under a Comprehensive Manpower Policy."

Several earlier speakers have warned us against tendencies to regard vocational education as a universe separate and apart from general education.

87

Persons who express concern that the new legislation for remedial manpower programs would result in a "dual school system" may find this a hazard more real and present in current patterns of secondary school organization. I use the word "hazard" in reference to separate systems in confidence that we are all agreed that systems cannot be separate and equal.

A national manpower policy attuned to today's society must take into account, first, the great extent of occupational mobility in that society, and second, the changing aspirations and the indecision on life-styles of so many of our youth. Our educational programs need to provide a broad base of competence and adaptability and permit the student to "keep his options open." I have heard it said that youth can no longer afford the luxury of trying different jobs and experimenting with starts in different careers. I hope this is not so.

My feeling is that the high school graduate should be able, even as late as his twelfth year of schooling, to select among three choices:

— to go immediately into employment, presumably at an entry level job but hopefully with opportunity for advancement by virtue of on-the-job experience and in-service training.

— to pursue intensive vocational or technicological training in a community post-secondary institution.

— to enter a four-year institution for academic training including the pursuit of professional preparation.

Regardless of what educational program he has been in, he should have a solid foundation of general education. I don't propose to try to define that here because we all have our own concepts—which we might have to discuss at great length only to realize finally they differ little from one another. I'll take advantage of my having the floor to say that my concept is focused on the idea of communication capability—verbal and nonverbal, oral and written—as the core of general education.

I do not doubt that our better vocational schools often do a better job of supplying this foundation than many of the nonvocational programs. But the vocational schools that equip their graduates with only manual skills or comprehension of task-related processes may be giving them a bright start occupationally with an uncertain future.

But even though we look to the schools as the first and principal institutions to prepare our youth for the world of work, it would be the counsel of the blind to say that manpower concerns stop there. The need for remedial programs for those who have failed—or, if you will, have been failed by—the conventional educational institutions is evidenced in appallingly high youth unemployment rates; the multiple problems of persons recruited for remedial train-

ing; and the problem of student disaffection and dropping out from the classroom routine. The pool of disadvantaged does exist. It is quite appropriate to say we must lessen and try to eliminate the flow into the pool by improvement of schools. It is not realistic to view this as sufficient. The pool is not self-liquidating, it will not evaporate or seep into the ground. It must be dealt with by strengthening and expanding the methods of resources developed in a variety of remedial manpower efforts in recent years. That is what the new legislative proposals are about.

Some of my prejudices regarding manpower programs are already showing. I would like to go further and be quite explicit on the subject of new manpower legislation. Any system of federally-assisted manpower efforts must necessarily involve a range of program agencies in the "usual and traditional areas of concern" to the Secretary of Health, Education, and Welfare.

This reflects the most important lesson learned in the half-dozen years of experience in manpower programs: the need for a variety of services to meet the multiple problems of the clients. Now as I recite just some of these services, make associations from your own experience with the kind of program agencies prepared to render them—skill training, adult basic education, health, day care, outreach, social counseling, pre-vocational, legal, job coaching, rehabilitation.

I assume this listing suggested variously to you not only the Employment Service and the school system but also the community action agency, the welfare agency, the rehabilitation agency, and other public and private agencies.

I put to you the proposition that none of the legislative proposals discussed at our conference actually contemplate the establishment of a system that would ignore the need for the services indicated and the essentiality of involvement of the appropriate agencies. It is the nature of the involvement that seems to cause anxiety.

Let me step back a minute to see how we arrived at this stage. Three years ago there was widespread agreement that the fragmentation of programs and agency responsibilities had reached a point where a systematic and intensive effort to coordinate them was imperative. The Comprehensive Area Manpower Planning System was established. I have been a strong supporter of CAMPS and I assert that it does the job it was set up to do. Specifically, it was expected to bring the concerned agencies together, to give them sophistication in the total manpower effort, to have a pooling of information on needs and resources, and to induce cooperation and the building of program linkages. The emphasis in my mind, at least, has consistently been the *process* of cooperative planning rather than on the particular *product* or plan, to the end that each agency could carry out a more enlightened and effective program.

I defend CAMPS when it is charged with failures on problems it was not designed to handle. Primarily these relate to the allocation of resources. So long as we have many categories of programs, assignments to different agencies, variations in statutory and administrative missions, and general diffusion of responsibilities, there will be some areas of independence and disagreement.

The stage we have reached today finds general agreement in the legislative proposals that we need to decategorize and eliminate rigidities and disparities among the programs. Further, that we need to achieve greater decentralization of administration. All these aims are in the direction of consolidating administrative responsibilities while retaining adequate provisions for program reviews and evaluations.

The Administration bill has developed these concepts in greater detail, even though they may be implied in other proposals. It is, in fact, one of the best available examples of the New Federalism idea. The heart of this is the division of responsibility among the federal, state, and local levels. Though perhaps in need of further definition as experience accumulates, there is a clear attempt to set balancing roles for the states and the big cities. In most grant programs now there is a different division of labor between state and local officials. In the Manpower Training Act the states have overall program control, except for the unapportioned 20 percent, but local levels are given a pass-through of funds and local planning authority.

The second concept, that of program review and evaluation of administrative implementation, is carefully spelled out in provisions for the state and local planning advisory organizations, rights of independent reporting and appeal, and—at the federal level—the partnership role of my Department with the Department of Labor.

Because my Department has so many program interests relating to manpower activities, special care was given to prescribing its role. The core of it is in the plan approval provision of Sec. 104(b):

> The Secretary of Labor shall determine whether a State plan meets the requirements of this Act: Except, that with regard to programs (or program components) authorized to be included in such plan under section 194(a) which are of a health, education, or welfare character or which are under the usual and traditional authority of the Secretary of Health, Education, and Welfare, the plan may not be approved without the concurrence of the Secretary of Health, Education, and Welfare. Such programs include basic education; institutional training; health, child care and other supportive services; new careers and job restructuring in the health, education, and welfare professions, and work-study programs.

Apart from this section, however, I would point out that there are eight other sections calling for HEW concurrence or agreement and five sections where consultation with HEW is required.

These provisions, along with the purchase-of-service requirement, in Sec. 102(a), assure the participation of HEW in the total manpower effort.

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The three bills discussed by Congressman Steiger are the latest but not last step in a, to now, eight-year experimental effort. Its objective has been to develop an effective system for remedying the disadvantages of a numerous and widely varying population who find it difficult to compete successfully in the labor market. Nearly every imaginable service which might lessen those disadvantages has been tried. The critical problem at the moment is to develop an effective delivery system. The current delivery system has at least three shortcomings:

1. The individual programs which emerged from the trial-and-error process require the needy individual to adapt to program requirements rather than having a variety of service functions packaged to fit his needs.

2. The necessary federal initiative resulted in nationally set policies which may or may not coincide with local conditions.

3. There is an almost total lack of accountability; programs are not effectively monitored or evaluated, and program operators are not rewarded according to performance and achievement.

The three manpower bills currently before the Congress are aimed at improving this situation, and any of the three would undoubtedly do so. All agree on the need to decategorize programs, pooling all budgets, authorizing all conceivable services, adapting the mix to local and individual need. They differ on the appropriate means for the second objective—decentralization. My remarks will further explore some of the shortcomings in current legislation and practice and the applicability of the three proposals to alleviating those shortcomings.

SHORTCOMINGS IN DELIVERY SYSTEMS

The delivery systems for the manpower services remain in disarray. The Concentrated Employment Program (CEP) was to bring all programs and services under the roof. If services could not be tailored to individual need, at least the individual should have a choice among the available programs. Manpower Development and Training Act (MDTA) and Work Incentive (WIN) have remained outside of CEP. The critical function of skill training was absent. Job development has had limited success. Work experience programs were primarily places to park people while searching for something better for them. For most CEP enrollees there was simply no place to go.

Comprehensive Area Manpower Planning System planning has improved but is still best described as "separate agency plans held together by a common staple." Few would take seriously a planning process which lacked the power to reallocate budget and staff.

Glaring at the local level almost everywhere is the lack of any form of integrated planning and coordinated administration. States and others respond to the availability of federal dollars and almost entirely on federal terms. The durability and imperviousness of walls between programs, even those operated by the same agency, is amazing.

Many state Employment Services have improved notably in their commitment to serve the disadvantaged; others not at all. Few community action agencies have developed into effective deliverers of manpower services. Yet their vital role in community organization might not survive without the patronage available through manpower programs. Employment Services are still able to play off their governors and the federal agency against each other. State and local public schools have many higher priorities than manpower programs.

The Labor Department's field staff is overwhelmed by the responsibility of negotiating, extending, and renegotiating 30,000 contracts with 10,000 prime sponsors. Overall program evaluation has improved greatly, but monitoring and evaluating of local performance is almost nonexistent. Budgetary processes tend to distribute funds unrelated to performance in program administration. Thus accountability suffers. The appropriations process can only be described as ridiculous.

A few governors and mayors have "grasped the nettle" and are creating their own devices for bringing their own manpower agencies under control and coordinating or consolidating their efforts. Most act as if manpower programs did not exist.

This characterization is overdrawn because it is designed to identify shortcomings and does not list strengths and notable accomplishments. The progress of eight years in the manpower policy business is still commendable. The

business at hand is further improvement. The comprehensiveness endorsed by the bills under consideration will not solve the complex basic problems of personal deficiencies, locational obstacles, educational shortcomings, discrimination, and the lack of enough decent jobs at adequate pay. They can tidy up program administration, increase flexibility and adaptability, and add to accountability.

APPLICABILITY OF THE LEGISLATIVE PROPOSALS

The need to decategorize programs, I consider unchallengeable. Unfortunately, I also must agree with Bill Steiger's assessment of the political realities. The bills are deficient only in that they encompass only MDTA and the Economic Opportunity Act. The same logic would add WIN, Vocational Rehabilitation, and establish ties with vocational education for the disadvantaged. The main obstacles are committee jurisdiction and the provisions of the bills giving primacy to the Labor Department. The broader consideration is precluded for the moment. A comprehensive manpower delivery system at the local level which includes these budgets and services as well should be recognized as desirable.

There is no good answer to the relative federal, state, and local roles in the delivery of service. The current contract negotiating and administering responsibility is beyond federal capability. States could be effective agencies for decentralization but only if they have the commitment and the staff. Staff can be trained. Real commitment requires conversion; a reasonable equivalent can be bought, but only with a forceful monitoring presence. Labor markets overlap political jurisdictions and no meaningful metropolitan government exists. Each bill wrestles with the problem and each reaches its own satisfactory compromise.

If the administering federal agency has the courage and political backing, it can delegate to the states and still enforce accountability. There is to now no working model. Cities large enough to have congressmen whose political allegiance is to districts within that city will demand direct access to Washington. Despite "one man—one vote," many governors do not yet understand and care about urban problems. Yet every city cannot mount the staff capability for manpower planning and program administration. Every SMSA is probably still too many jurisdictions to treat individually, and there should be some minimum population cutoff for the pass-through.

A key concept of all three bills is to take policy-making from bureaucracies and vest it in (or impose it upon) elected chief executives. This may well be an unadmitted focal point of opposition to the proposals. It has the advantage that poor service can be penalized at the ballot box—but only where the target groups have access to the ballot box. It also opens possibilities for competition and unaccountability. Rather than having a residual right to pro-

grams, state and local agencies must deliver or their assignment can be shifted elsewhere. In this regard, the Administration bill makes a mistake in singling out the Employment Service as the key agency, if only by implication. The Employment Service will undoubtedly be the key deliverer of service, but it should have to compete for that role, not only on a statewide basis, but by city. A third potential advantage is also threatened by the language of the Administration bill. Each governor and big city mayor should be given responsibility to produce a plan and administer a comprehensive program but left to design his own administrative machinery. There is no reason for national uniformity. Effectiveness rather than form is the objective.

The major opposition to the proposals appears to come from the education establishment. Their charge of a "dual education system" is unrealistic because it ignores the facts that MDTA already exists and the bills add nothing that is not already in MDTA and the Economic Opportunity Act. A more basic objection is the strengthening of the Labor Department vis-à-vis Health, Education, and Welfare and of governors vis-à-vis state education hierarchies. The latter are desirable. The former not so. The Labor Department has tended to undervalue institutional training while HEW has not recognized sufficiently the limitations of institutional training when not tied in with job development and placement. The proposals could be strengthened objectively and politically by assurance on that point. In fact, with the guarantee of a stronger education role, it might be possible to win a linkage with vocational education and vocational rehabilitation.

None of the bills gives sufficient explicit recognition to the roles of staff training, research, experiment and demonstration, and evaluation. Budgetary practices should be addressed more specifically. Two-year funding is essential and so is a larger total appropriation. A public service employment provision has been recognized for several years as one of the gaping holes in the package of manpower services. The 10 percent automatic increase in manpower funds as an automatic stabilizer would be helpful but very small. If 10 percent is good, why is not 25 percent better? Shouldn't the amount rise as unemployment rises, as it will, above 4.5 percent?

PERVASIVENESS OF FEDERAL COMMITMENT

Experience at the state level in Utah prompts me to raise one additional issue: that is, the depth of federal commitment to the principles espoused in the Manpower Training Act. It is worth noting, after all, that most of the decategorization the Manpower Training Act espouses was authorized by Congress in the 1967 amendments to the Economic Opportunity Act but never implemented. MTA merely adds MDTA to that previous authorization. A quote from Governor Calvin Rampton's testimony before the House Committee will make the point:

We find ourselves frequently confused between the top level advocacy of decategorizing and decentralizing manpower programs, and the day-to-day decisions of the federal bureaucracy. The Utah Manpower Planning Council has, on occasion, found the regional office of the Department of Labor less than fully supportive of the concept of comprehensive state manpower planning. I interpret these actions as being illustrative of the gap in commitment to the objective of coordination between the Secretary of a cabinet agency and a Regional Administrator who is tied to the concept of both supervising and acting as advocate for the Employment Service in its role as a State Agency.

Recently we have learned that the very flexible DOL cash grant on which our Council was originally staffed will not be renewed. It will be replaced by a standard CAMPS Grant package which, in essence, requires our unique approach to fit another mold. Above all, we are cautioned not to engage in activities which have been assigned to the State Employment Service and they are directed not to provide services to the Council which may be covered by the CAMPS grant.

Another problem of concern arises in the administrative linkage between state governments and the federal government. Our experience in Utah has been that federal agencies do not always respect state government sufficiently to provide liaison people at administrative levels capable of addressing the multiple concerns of federal-state relationships. Federal liaison staff are often at the technical level and lack the authority to commit their agencies or to negotiate effectively with state policymakers. It is frequently difficult to find the place in the federal bureaucracy at which policy decisions are made, and to navigate the various channels from technical level liaison persons to the policymakers without cumbersome time lags or yielding to the temptation to go out of channels. For federal-state relationships to truly be significant, it is important that the federal agencies understand the importance of assigning liaison staff to the states who are capable of committing their agencies. It is imperative that state manpower policymakers have convenient access to authoritative individuals in the federal bureaucracy if decentralization is to be workable.

FINAL REMARKS

What I have said and quoted may sound overly critical. I am strongly committed to the need for decategorization. Decentralization entails risks, but these seem justified. If the federal agency has both patience and courage, decentralization can be made to work. None of the current bills is perfect though all have elements of improvement. My choice would be the Steiger bill with a pass-through to only metropolitan areas over one million inhabitants, with the central city mayor as the primary recipient and built-in protection for other jurisdictions. A locally or regionally oriented trigger with a bigger "bang"

than that of MTA is a highly desirable addition. The important point to make is that the Senate and House Committees have before them the raw material for highly useful committee bills. The great need is more political visibility for the issues.

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A story is told of former Secretary of Defense MacNamara at the time that he was really pushing cost-benefit analyses, the new thing at the Pentagon. His son came home one day panting. He said, "Dad, Dad, I just saved 25 cents. Instead of riding home from school on the bus, today I ran home jogging alongside the bus and saved 25 cents." MacNamara said, "Well, you're not so smart. If you'd run next to a taxi, you would have saved a buck-seventy-five." I suppose all of which says that it's important what standards you apply to things.

And I think this is the key to one of the questions we've discussed this morning—that is, the question of decategorization. I thought that Congressman Steiger did a pretty good job on the Congress's penchant for taking our legislation and ornamenting it like a Christmas tree with various categorical programs. But I thought that he was entirely too kind to the Labor Department and the federal officials' penchant for tinkering with the national program designs. Garth Mangum took care of my concern there. There is a third element which is going to be very resistant to the idea of abandoning the old traditional project activities and moving toward more flexible decategorized programs; and that is, of course, the local project sponsors who get their thing—their funding—and are comfortable with their past experience. All of these elements are going to be working against the concept of decategorization of programs.

I think the key conceptual problem with decategorization is that we don't really know yet what one should expect, what one has a right to expect, of different kinds of manpower activities for different kinds of client groups meeting different problems. In other words, there is no clear feeling of goals in the manpower experience. If we were able to define clearly through an analysis of this decade what one could expect in terms of serving youth with different sets of problems or in serving adult female workers who are returning to the labor force or things like this, if we could quantify these goals in some way and actually measure the performance of manpower programs operated by state or local agencies against these goals which are established, then I think there would be very little concern with the nature of the program design.

But what has happened in the last decade is that without the experience of knowing what one can expect of manpower programs, you have the Congress or the Labor Department substituting ideas about what we think will work, what we think will produce, what we think will induce good performance in these programs; we design a model program or postulate a national program design and then apply it rather rigidly around the country.

To take an educational example: If we are dealing here with a critical problem where we have X number of people in the community who are functioning at a fourth grade level of reading capability and we want to raise them to at least an eighth grade level, somehow we adopt a way of measuring performance which indicates an eighth grade reading capability. You have a variety of programs and communities around the country which share in this problem and who want to mount some kind of a program to do this. Then it's not very important to the federal government as to the technique they use or the way they organize the program because there is a measurable goal and one can evaluate performance against it. But when you don't have this clear idea of what we have a right to expect from these programs, what kind of outcome can there be? Then the federal government gets sort of antsy about different people's ideas. For example, the Congress has asked us a number of times in the hearings, "What do you mean by exemplary performance standards? What are these? What are you seeking here?" And I think both the Labor Department and Health, Education, and Welfare have sort of said, "Well, we're working on it."

The point is that we have to have a clear view of these kinds of problems before we can truly move to a decategorized program, because it is only against a firm concept of what one can expect from manpower programs, what one can look toward in terms of performance out of a lump sum allocation of funds to a community, that you are going to be able to lure federal officials or the Congress away from old habits.

This is a key problem. We have tried to substitute nationally designed models for the basic job of establishing goals that can be worked toward through locally designed programs. We have tried through these national program models to induce performance instead of using federal funds to do the hard job of developing greater competence and greater initiative on the part of planners and operators of the local programs. The amount of money which goes into training and staff development in the manpower field is ludicrous. As a matter of fact, the amount of money which goes into the training of federal officials is ludicrous. We have a national budget of $26 or $27 billion; the Civil Service Commission reports that all funds which go into the training of general scheduled employees, the basic Civil Service in the federal government, amounts to about $92 million, or less than two-hundredths of 1 percent of the total federal budget.

So, along with the question of clearly identifying what we have a right to expect out of manpower programs, we have to make a commitment to development of competence of the personnel who must operate these programs. This we have not done. We have tried to substitute easy ways of doing it, through master programs designed for doing this basic job. I have never yet seen a successful manpower program where the success couldn't be attributed to the competence and dedication and hustle and commitment of the staff involved. If we had those kinds of people involved, it rarely mattered what kind of program design you had. Where you didn't have those kinds of people, you couldn't salvage it through the design of the program.

I have always been impressed with the vocational rehabilitation system. Maybe I'm looking at it through rose-colored glasses, but they've always devoted a significant amount of their resources to staff development and training, even reaching down into the institutions of higher education for the development of vocational rehabilitation counselors and the like. We have to bring some of that staff development concern to the manpower field if we are to succeed under any system, but especially under a system of decentralized responsibility. I think in some ways the Manpower Training Act, although it focuses upon institutional arrangements and not program content, is a reflection of the things that I have just criticized. There is precious little in the Act which gives a firm feeling for what we seek to achieve through different institutional arrangements. There is a prescription of models that we hope will achieve what we can't clearly define.

There has been a great deal of criticism, for example, about the concept of state organization which is put forward in the Manpower Training Act—about the fact that there is a requirement for a state manpower planning organization of such-and-such membership, and the fact that there is a requirement for a comprehensive manpower agency with such-and-such minimum composition. You know that in the Act you are talking about the Employment Service, the unemployment compensation agency, other agencies which might operate programs directly funded by this Act, and agencies which operate manpower programs which are solely state-funded, such as an apprenticeship agency. I don't think there is any state which has undertaken some sort of more comprehensive reorganization of manpower agencies which really does not meet that minimal prescription.

The point is that the Manpower Training Act is somewhat like the U. S. Constitution; you can read the language but you have to know the interpretation before you really know what is in it. As we have pointed out continually to governors and to Congress, regardless of these prescriptions for these two institutions to plan and to manage manpower programs at the state level, there is an escape clause. The escape clause is Section 607 of the Administration bill which places these provisions and any others in the Act directly under the authority of the Inter-Governmental Cooperation Act. The Inter-Governmental Cooperation Act says, "Notwithstanding any other provision of law, which re-

quires the establishment of a single state agency, such as a comprehensive manpower agency, for the conduct of federal grant-in-aid programs, if the governor of the state can demonstrate that an alternate form of organization of state responsibility will meet the purposes, carry out the objectives of the Act, the appropriate secretary, Secretary of Labor, Secretary of Health, Education, and Welfare, can waive these statutory single state agency provisions."

So on the one hand we say we think this is a good model and you are going to have to do it. On the other hand we say, "Well, if you have a better way or an equally good way of organizing it, bring it forth and it can be approved." Then the governor has a right to say, "What do you mean by 'meeting the purposes of this Act in terms of administrative functions'?" We really haven't spelled that out, so we get back again to the question of performance standard, objectives, goals, which lie behind the intent not only of programs but of administrative arrangements.

I think that since there is this flexibility in the Act to safeguard the federal interest, we are going to have to give some real thought to spelling out what we desire in terms of any form of state organization for the carrying out of responsibilities under this Act. As Garth Mangum has mentioned to us many times, we've had some recent studies that have analyzed state agencies and state governments, and we know there are 50 states and no single model that is going to be appropriate or effective in all of them.

This Act has received a lot of support and a lot of criticism. The AFL-CIO comes in and says, "Yes, but the federal government is giving it all away. Nobody is in charge." The governors come in and say, "Yes, but the mayor shouldn't be a part of the scheme." The mayors come in and say, "Yes, but we don't want the governor around." The community action organizations come in and say, "A pox on all your houses." The vocational educators often come in and worry about our trying to establish some Brave New World.

I think the fact that nobody is really happy would suggest that this Act is trying to grapple with the really tough issues of inter-governmental relations in this country. Whether or not we successfully do it, we ought to be applauded for our courage. It is really, to my way of thinking, the only legislation which tries to spell out in full the concept of New Federalism which is a federal, state, and local concept. So much of our legislation in the past, and even so many of the bills which have been introduced by this Administration, either focus on a federal-state relationship or the federal-local relationship; this one is trying to build in the concept of three levels of responsibility.

I would like to turn to the question of local prime sponsors because I think in many ways this is the most innovative feature of the Act. We are trying and are dead serious about trying to establish the concept of manpower planning and manpower operations to cover what amounts to the full local labor market area. The Standard Metropolitan Statistical Area was the best shorthand that

we could come up with to portray that concept. We've had a great many governors who said they would prefer to be able to organize things around, for example, their standard state planning districts. I don't think anybody is wedded to the SMSA, but we've got to go with the concept of area-wide manpower planning and operations. We have strengthened, if anything, our concept of who shall be the prime sponsor on the local level. The governors were highly critical of the fact that they didn't have much flexibility on the question of the choice of the local prime sponsor. Well, they have even less now as the bill is evolving because it is the strong intent of the Labor Department that the presumptive prime sponsor for a community program area, which we hope will be essentially a labor market area, a metropolitan area, will be the mayor of the dominant city. If elected officials representing 75 percent of the area's population get together and concur on some other prime sponsor, then that shall be the prime sponsoring unit. So there's really nothing but nominal authority at the state level at this point for the designation of prime sponsors.

In practice, in terms of that 75 percent rule, in almost all of the metropolitan areas the mayor of the central city will have to be a party to that decision, will have to concur on that decision, because there are only seven out of 233 SMSAs where the mayor does not control 25 percent of the local area population. But, as has been pointed out, there are not 233 SMSAs; there are going to be more coming out of the 1970 Census. I think Garth Mangum has made the point, do you really want to talk about 233 plus local delivery systems as part of this national manpower system? Is that too many? I don't know, but I think it's useful to make the distinction between the authority of a prime sponsor and the functions of a prime sponsor. As to the authority of a prime sponsor, you might talk of something like natural law, or the divine right of kings; this is the divine right of mayors and county executives in urban areas to have the authority to delegate the functions of a prime sponsor to whomever they desire. So, for example, the mayor of Cleveland always has the right to delegate the functions of prime sponsor to his city agency or to some other institutional framework and to be able to review this delegation agreement on an annual or a multiyear basis, so that if it is not working out he can withdraw it and look to something else; or when the central city mayors, some of the other mayors, and some of the county executives get together, they can exercise as a group a certain residual authority. If this were done, in many states with smaller metropolitan areas, it would provide the opportunity for the local mayors to designate, say, the state comprehensive manpower agency to carry out the functions of the prime sponsor. But they would still be in a position to evaluate how effectively their communities were being served by this arrangement and to be able to rescind the designation if they were unhappy with the way in which the state agencies were serving their communities.

The functions of prime sponsors are to plan, to administer, either directly through the agency itself or more probably by subcontracting out different activities to a variety of institutions in the community, and to evaluate these

programs as they are carried out. So I think that perhaps one can talk about establishing the concept of prime sponsors only for communities of a certain population level, or one can talk about establishing a certain dichotomy between the authority and functions of prime sponsors but to make it very clear what kinds of qualifications a smaller community would have to meet to really be in a position to carry out the functions themselves as opposed to turning toward the state for these functions.

It is interesting that the people who have argued most against the concept of metropolitan-wide coverage have been the governors. The mayors, perhaps as part of their political game, have not spoken against this provision—at least not often. And county executives with whom we have talked, and even the National Association of Counties, are not opposed to this concept although they would like to see a more imaginative use of the 75 percent provision. It is the governors who are saying, "It will never work; it will never work." I have a feeling that there is a recognition in a growing number of local areas that manpower problems, like so many other problems, have to be approached in some sort of a coordinated area-wide basis. We've recently made some small planning grants to mayors—mayors of the central cities—to establish them in leadership roles in local Comprehensive Area Manpower Planning System (CAMPS) operations. We anticipate making soon the first round of CWTP grants, at long last; in both instances there are many multijurisdictional arrangements. For example, in the Kansas City area, the local heads of government have agreed that the basic manpower structure planning and evaluation and administrative unit in their area should be the Mid-America Council of Governments. This is Kansas City, Kansas, Kansas City, Missouri, about nine counties surrounding them, and the airport off north up the river. But here is a situation where on a bi-state nine-county basis, the local heads of government are concurring on the idea of some broader authority, responsible to them, for they sit on the board. The same thing is occurring in, for example, Phoenix where they are going to the American Association of Governments. You have another slow development, which talks in terms of the consolidation of local units of governments. In Jacksonville, Indianapolis, and Nashville you are getting the city government extending its boundaries and becoming coterminus with the entire metropolitan area and then establishing a single form of government known as Uni-Gov in Indianapolis. So I have a feeling that so much of the criticism which has been brought to bear against the concept of the Standard Metropolitan Statistical Area as a program area with a single prime sponsor trying to serve the area may be in large part the governor's game of trying to build up the authority of the state and to weaken the responsibility of the local officials. I don't know, but it's worth looking around on a state-by-state, major-community-by major-community basis, and this is what we will be doing.

I think I have tried to treat the two basic problems of the intergovernmental relations, where we have received the most criticism: one being the

concept of the prescription of state organization and the other being the role and identity of local prime sponsors.

I would like to speak about the problems of creating linkages between education, particularly vocational education, and manpower programs at all levels of government. Warren Roudebush has very helpfully pointed out that this is a bill in which the Secretary of Labor and the Secretary of Health, Education, and Welfare are partners in administrative responsibilities. There are major areas of the manpower picture in which the Secretary of HEW will have concurrent responsibilities so that there will have to be agreement between the Secretary of Labor and the Secretary of HEW before actions are taken with regard to a variety of supportive services. For example, there are some areas in which the Department of HEW and the state agencies which have responded to it have had traditional authority and interest.

There is no intent and very little possibility of establishing a "dual system of education" under this bill. Not only are the Secretary of Labor and the Secretary of HEW Siamese twins in all these decisions, but the bill spells out very clearly that these funds are to be used to the maximum extent possible to purchase institutional training services, or supportive services, or other manpower services through existing federal, state, and local agencies. This is called the purchase-of-service clause, and it was put in there expressly as a result of joint HEW-Labor discussions of the bill. Perhaps we are entirely too indefinite about this because it doesn't spell out very clearly who is meant by existing federal, state, and local agencies. I'm sure it would make vocational educators happier, and it would make community action agencies and others happier, if we included some specific language which said "such as" and made it very clear that these were organizations who in their areas of competence were to be used, subject to evaluation of the effectiveness of their performance.

There is an effort here to create a partnership between the vocational education program and the manpower programs, but it is likely to be difficult. We have had two persons up here who have supported the concept of a unification of education and manpower responsibilities at the federal level. I think probably the President's domestic council proposal goes as far as one can toward that, short of the unification of such departments. Representative Edith Green has introduced a perennial bill to create just such a department. It's not likely to go anywhere at the moment, but it may well be the wave of the future. I suppose that one of the reasons why we even talk about the issue of the transition of youth from school to work is that our division of the bureaucratic turf at the federal level has helped to exacerbate this problem at the local level. Or maybe it works the other way around: that the inherent problem at the local level has had its federal spin-off. I'm really not sure on this point, but it does seem to me that we've got to have some unification of direction and policy at the national level before effective arrangements can be made at the state and local levels.

The Act itself does provide a wide area of opportunity, however, for vocational education or vocational rehabilitation and what is often identified as manpower activities to be coordinated or integrated at the state level. You can do this because there is, at least, a principle of authority at the state level which is the governor. The Act provides that the comprehensive manpower agency can include a vocational rehabilitation or vocational education agency at the state's initiative. This can be approved by the Department of Labor and the Department of HEW. At the same time, and I express a personal view, I think perhaps the perils of separating vocational education from general education may be as great or greater than the desirability of linking vocational education administratively into manpower agencies. So one really has to consider the development of a broad range of human resources if you are to create the kind of continuum of education and human resource development and employment experiences from earlier ages right through life. We talk about the transition of youth, as I say, from school to work; I think that is the wrong way to say it. The question really is what role does work play in the educational process for youngsters.

There is this opportunity at the state level for achieving close integration and coordination of the education and the manpower services. But what would be the effect at the local level? It is very difficult to devise a mechanism which will achieve this at the local level. To begin with, if we, in our manpower concern, have a thrust toward the metropolitan area and with many instances of the mayor of the single jurisdiction being the prime sponsor for the metropolitan area, it is difficult to imagine that he can exercise effective influence over locally funded programs of other jurisdictions. It could be the local education programs which are locally funded. It is also very difficult to imagine that if you were to give the prime sponsor some sort of a control, review, or authority over federal vocational education funds going to suburban school boards, that there wouldn't be a tremendous howl in Washington. And even within the central city, its own jurisdiction, the tradition is often one of independent school boards which in essence are autonomous from city hall and often have their own tax base and fund raising powers. So I think probably the best that can be done in terms of creating these linkages is to try to create close planning ties without as much authority as one would perhaps desire in the situation and to pick up on Congressman Steiger's suggestion that one really has to create a lot of monetary incentives to make it worthwhile for people to work together. The opportunity for close linkages at the local level is not effectively created by the Act, but it can't be unless there is a real change in structure of local government.

Finally, I would like to speak about the role of the Employment Service with regard to the delivery of manpower services and the role of other agencies in the community. Of course, a significant thrust of the Labor Department is to give the Employment Service the money and the authority and have it do the job. I suppose the philosophy is sort of, "It may be a bastard, but it is our bastard, and so we have got to stay with it." The Labor Department cannot

really treat the Employment Service as just another manpower agency. There is a major public investment in it; even without the funds which one discusses in the context in the Manpower Training Act, we are talking about $900 million of Wagner-Peyser money which flows into the Employment Service for placement and employability development activities. We are talking about a lot of experience there which, although it has created rigidities, it also brings certain administrative strengths. We view the Employment Service as being a major, if not the major, deliverer of what we would call manpower services at the state level and in local communities. It may be the prodigal son, but there is a high standard and a price to be paid for having that position; that is, as we seek to improve the performance of the Employment Service through the national level, we are going to be seeking ways of building greater local accountability on the part of the Employment Service to local officials.

Increasingly, the authority and jurisdiction of prime sponsors will extend not only to Manpower Training Act resources or to Family Assistance Act resources, as they can be folded in, but also to the basic Wagner-Peyser finance activities of the Employment Service system. The degree to which the Employment Service is utilized will more and more be governed by the judgment of local officials as to how effective Employment Service is in the community. The opportunity is always available to the local prime sponsor to utilize other manpower agencies, and we would hope that these would be utilized where there are areas of competence they can bring, because the purchase-of-service clause refers not only to the Employment Service or the vocational education agencies but also to other manpower institutions in the community, such as community action agencies which may have special roles to carry out. There is a very delicate balance which the Manpower Training Act tries to establish between federal responsibilities, and make no mistake that ultimately the Secretary of Labor, and in many areas the concurrence to the Secretary of HEW, is ultimately responsible to the Congress and to the public for programs under the Manpower Training Act. To carry out this mandate, we must develop partnerships with state and local governments, so that there is a range of responsibility which must fall to the state governments and a range of responsibility which must fall to local governments. And I say that the fact that nobody seems to be happy may well be the best indication that we're coming close to necessary solutions.

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